

The NATIONAL UNDERWRITER

Life Insurance Edition



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Bankers
NATIONAL LIFE
Insurance Company, Montclair, N. J.
RALPH R. LOUNSBURY, President
W. J. SIEGER, V. P. & Supt. of Agencies

LIFE • ACCIDENT • HEALTH • HOSPITAL

FRIDAY, JULY 20, 1951



Everyone, by his daily personal conduct, can help to fight the contemptible prejudices — earnestly cultivated by Communists — which seek to divide America into groups of Protestants and Catholics, Christians and Jews, foreigners and natives, workers and capitalists.

Let's actively remember that we are *American* people . . . and this is no place for so many kinds of people to live unless we share the common purpose of keeping U. S. Life . . . A Better Life to Live!

★ ★ ★

Insurance of family security, and of earning capacity during working years, is a duty of the great body of American insurance agents. Agents of United States Life have an exceptionally complete schedule of policies for truly and fully protective coverage.

The United States Life

INSURANCE COMPANY
IN THE CITY OF NEW YORK
84 WILLIAM STREET
NEW YORK 38, N. Y.



We are proud to be numbered among those who are continuing to provide future financial security in the best traditions of the American way of life.

ATLANTIC LIFE INSURANCE COMPANY

RICHMOND, VIRGINIA

Established in 1900

ROBERT V. HATCHER
President

"HONESTLY, IT'S THE BEST POLICY"



LEADERSHIP...



The upsurge of interest in non-cancellable Accident and Health insurance has focused the attention of progressive underwriters on our position of leadership in a specialized field.

THE Paul Revere Life
INSURANCE COMPANY
WORCESTER, MASSACHUSETTS

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NON-CANCELABLE ACCIDENT & HEALTH • LIFE • GROUP

Agency representation in the 48 states, the District of Columbia and Hawaii

*Our agents
are experts
at selling
security...*

*...because they
have security*



Our commodity (like that of all insurance companies) is "security" and "peace of mind." Because we feel our agents should know their product through personal experience, we have taken the following steps to make their futures secure:

- (a) Retirement Income Pension Plan for WNL agents.
- (b) Group Life Insurance for WNL agents.
- (c) Attractive agent contracts including liberal renewals . . . lifetime service fees!

In addition we offer training courses, "refresher" courses, and a steady flow of field tested printed selling "tools". If you are interested in joining this fast growing company, write to our Agency Director, Wm. J. W. Merritt.

WISCONSIN NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE: Oshkosh, Wisconsin

GENERAL AGENCY OPENINGS IN WISCONSIN, MICHIGAN,
ILLINOIS, INDIANA and MINNESOTA

First Legal Reserve Stock Life Insurance Company Incorporated
in Wisconsin.

N.A.L.U. Releases Complete Schedule for L. A. Convention

Hollywood Bowl Show Led by Bob Hope Is Entertainment Highlight

The National Assn. of Life Underwriters has released the completed schedule for its annual convention to be held in Los Angeles Sept. 17-21. It is the first time an N.A.L.U. convention has been held at Los Angeles since 1924 and the first time on the west coast since 1932, when it was at San Francisco.

The city will strive to outdo itself, according to Mark S. Trueblood, Union Central, newly elected president of the Los Angeles association, and Gerald H. Page, Provident Mutual, convention chairman. Mr. Trueblood estimated that from the rate at which reservations are coming in the attendance would be one of the largest ever recorded. Easing of the war situation, he indicated, should serve to reassure any who might fear war shortages on the west coast.

Will Start Monday

The convention program will get under way officially Monday, Sept. 17, when the directors of the American Society of C.L.U. will convene for an all-day session and the N.A.L.U. committees will hold day-long deliberations at the Biltmore hotel. All N.A.L.U. members are invited to attend the committee meetings. N.A.L.U. trustees will reconvene at 4 p. m. The board will hold its first meeting on Saturday preceding the convention.

Tuesday there will be an all-day session of the national council, starting at 9:30 to hear and approve or amend the committee reports.

The "wheelhorse luncheon" will be for all state and local officers and committeemen and will feature a panel of prominent individuals in association and life insurance circles. The luncheon is sponsored by N.A.L.U.'s committee on associations, of which A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, N.A.L.U. trustee, is chairman.

The American College trustees will meet at 2 p. m. on Tuesday. That evening there will be the American College trustees' dinner, and the annual reception and dinner of the Women's Quarter Million Dollar Round Table, at which Mrs. Norma Wason Bard, Phoenix-Mutual, Los Angeles, W.Q.M.D.R.T. chairman, will preside. A well-known company executive will be the featured speaker.

General Session Wednesday

The first general convention session Wednesday will be preceded by the annual breakfast meeting of the American Society of C.L.U., followed by an all-day meeting of its directors.

Speakers at the first general session Wednesday will be Leroy A. Lincoln, chairman of Metropolitan Life, and Paul G. Hoffman, director of the Ford Foundation.

President John D. Moynahan of N.A.L.U. will give an account of N.A.L.U.'s objectives and achievements during his term of administration.

The Women's Quarter Million Dollar Round Table and the Life Underwriter Training Council will conduct their respective luncheon sessions Wednesday. The W.Q.M.D.R.T. luncheon program

Budget Bureau Proposal on War Damage Studied

By HENRY HALLAM

WASHINGTON — After hearing Assistant Director of the Budget Elmer Staats explain a draft war disaster act, Senator Frear's subcommittee on war damage recessed subject to call. Mr. Staats read a carefully prepared statement and submitted a summary and outline of the proposed bill. He was questioned on certain details by Frear, other subcommittee members being mostly absent.

Staats recommended setting up standby by legislation and powers, to be exercised principally on the contingent basis of enemy attack. The only part of the setup to be created immediately would be a war damage administration, which would entail relatively little cost, it was stated.

Frear said the subcommittee wants to get information about war damage legislation before the Senate soon, "for action one way or another." Staats agreed there is urgency to provide some kind of stand-by authority.

Frear said because of injection of new factors into the discussion by Staats, the subcommittee will accept statements interested parties may wish to file.

Frear suggested that, in general, the kind of damage that might be expected from an atomic attack is similar to that with which the insurance business deals. He also said the companies provide annuity and other forms of insurance benefits similar to some of the benefits proposed in the draft bill.

Frear also suggested the possibility of making it mandatory under the bill to use the facilities of the insurance companies under a war damage program.

Speaking from the standpoint of income maintenance, medical, unemployment and similar benefits, Staats said the U. S. has a nation-wide system of handling such matters in the old-age and survivors' insurance program and state compensation programs.

Need Staats Assist

Senator Schoeppe, Kansas, said the draft proposal is "highly complicated" and expressed the hope Staats would be available to help the committee later.

In view of Staats' suggestion that under war damage insurance the premium might be either too high or too low, Frear suggested the war damage administration might borrow from the Treasury, as War Damage Corp. was authorized, and charge premiums.

Staats said it would be impossible to deal with war damage on an insurance basis where an entire city might be destroyed, if the federal government did not assume some responsibility.

Frear insisted there would be some parallelism between a government war damage insurance program and Federal Deposit Insurance Corp., in that both would engender confidence.

Staats said there is no way to calculate what the risk would be, and that the general taxpayer should meet the cost, as it does of civil defense.

Frear also suggested a comparison of war damage with veterans' insurance and the marine and war risk programs of the maritime administration, and that the insurance approach might be used in the first named field.

Staats replied Budget had not been able to set up an actuarial basis for charging premiums. Both agreed the Philippine war damage commission had done a wonderful job.

Regarding the draft bill's provision for income maintenance payments and federal grants to the states, Frear suggested there should be limitations upon such grants for restoration of facilities, industries, etc.

Frear wanted to know why intangible property is eliminated from protection under the draft bill, pointing out "sometimes intangibles are more valuable than tangibles." He added the committee has received requests that intangibles also be covered.

The Budget reply was that indemnification for loss of intangibles would be impossible to administer, and reference was made in that connection to the difficulty of proof of existence and ownership of a certain piece of paper; also to the fact that such paper represents something else.

When Frear inquired if it were not intended to subrogate the U. S. on claims against workmen's compensation, Budget witnesses referred to the proposal that the states "excuse" such compensation liabilities. Whether the states would grant such excuse, they admitted, "in all candor, we haven't solved that problem."

Annual Review Suggested

Frear raised the question how long the proposed war damage administration would be provided for. Staats replied the whole problem should be reviewed by Congress; that nobody knew how long the international tension will last, and urged that provision be made for congressional review of the situation annually.

Frear suggested provision might be made for terminating the setup by current congressional resolution, which does not require executive approval. Staats said administrative cost would be "very small before an attack."

When Frear asked how much income it was contemplated under the draft bill injured civilians should receive, Staats "assumed" it would be about comparable with OASI and compensation benefits. Frear expressed the opinion that such benefits should be "tied down closer" than they are in the bill.

May File Statements

Referred to the war problems committee of Life Insurance Assn. and American Life Convention, it is understood, has been the suggestion of Senator Frear that interested parties might wish to file additional statements.

Incidentally, it is understood that casualty interests will file such a statement, concerning the workmen's compensation angle especially.

"We can appreciate," Frear stated, "some new points have arisen from this morning's hearing, especially in the field of life insurance, so that a statement might be desirable on that or other matters. We would therefore like to announce that these statements will be, of course, received by the committee and will be properly studied and analyzed."

Committee sources indicated that Frear had nothing specific in mind in inviting additional statements; that it was merely a general remark or invitation.

Casualty people believe that feature of the budget program dealing with workmen's compensation is as good as could be expected. It provides the government would assume companies' liabilities, if the President declares an emergency. That would be even better, from the companies' point of view, than their own proposal that the government re-insure compensation risks in its war damage program.

Insurance representatives say they believe the subcommittee wants to do something about war damage before long, although the matter has been languishing in the legislative halls for many months.

Public's Cost for Life Insurance Hangs in Balance

Ways-Means Hearings Held on 6½% Income Tax Proposal

By HENRY HALLAM

WASHINGTON — Whether present and future life insurance policyholders are going to have to pay more for their insurance because of inequitably high federal income tax rates on life insurance earnings was the question hanging in the balance at this week's hearings before the Senate finance committee.

It is admittedly difficult to devise a formula that will be fair both to the various classes of companies in the business and to the life insurance business as a whole. The wrong type of tax would affect not only future policyholders but the big majority of those presently insured, since the bulk of the business reflects in dividends paid to policyholders the expense of doing business, including, of course, federal income taxes.

Majority for 6½% Plan

The great majority of life insurance companies, represented by Life Insurance Assn. of America and the American Life Convention, favor the 6½% flat tax on investment income as being the most equitable to the business and to the individual companies, and vastly preferable to continuing the present "stop-gap" formula, which is what the House ways and means committee favors.

The 6½% proposed formula was supported by President Claris Adams of Ohio State Life, speaking for the American Life Convention and Life Insurance Assn.; John A. Lloyd, vice-president Union Central; Cecil Woods, president American Life Convention, but appearing as president of Volunteer State Life, and M. Albert Linton, president of Provident Mutual Life, who is also president of the Life Insurance Assn., but appearing for the former.

Acacia Principal Opponent

Speaking against the proposal were Edward J. Schmuck, general counsel Acacia Mutual, and former Senator Scott Lucas of Illinois, who followed Mr. Schmuck with a brief statement.

Committee members seemed impressed with the change of position of most of the life insurance industry from supporting the present stop-gap plan of taxing the companies to the 6½% formula, and wanted to know the reason why.

The answer given by several witnesses was that further study had convinced them that the 6½% plan is fairer, easier, simpler. However, Messrs. Schmuck and Lucas held firmly to the position that the only correct way would be to tax the industry on a company-by-company basis.

Nevertheless, Mr. Schmuck offered a temporary compromise suggestion under which each individual company would compute its tax, at the normal corporate income tax rate, first, according to the stop-gap formula, and second, on its own free investment income for 1951. Under this proposal, the amount of tax payable by each company

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Institute Readies 110,000 Fact Books for Sixth and Largest Distribution

The sixth annual Fact Book of the Institute of Life Insurance is rolling off the presses and by the end of July will be en route to a mailing list of 110,000 organizations, nearly all of them outside the insurance business.

In the short post-war period since the first Fact Book was published it has become one of the leading statistical reference books on any business. Since 1946, when its circulation was 60,000, the distribution of the book has been almost doubled.

Some of the information available in the book, which this year has 50 charts and 72 tables, was available from various sources earlier but never in its present simple, understandable, readily accessible form.

Agreement on Figures

One of its accomplishments was to get people in the business to agree on which figure was the accepted statistic in any given life insurance field. The data in the Fact Book represents a net industry screening for public use of a multitude of facts. Formerly it was not unusual for officials of the business to use different figures in referring to the same thing.

Now the Institute's Fact Book is uniformly used by company executives in their speeches, in company advertising, new releases, etc.

It has gained unanimous outside acceptance, particularly among newspapers, where it is invaluable as a source of information on the life insurance business. As a result it is one of the most valuable public and press relations devices that the business has adopted.

The Institute has always given careful thought in deciding what figures would go into the book. One of the principles on which it has operated is that the figures used should represent the entire business. It does not use data based on the results of a minority of companies. Non-member companies as well as members have always been cooperative in contributing data so that the Fact Book includes their results too.

Wide Circulation

An idea of the impact of the Fact Book on the news and educational sources in the country can be obtained by reviewing the list of organizations that receive it. Almost 15,000 copies go to newspapers and magazines, daily and weekly. These news agencies as well as 2,500 radio stations also get regular monthly news releases from the Institute. In addition the Fact Book goes to more than 3,000 public libraries and to a larger number of university, college, junior college, high school and special libraries; corporations, brokers, chambers of commerce, better business bureaus, associations, foundations, societies, and related groups which have an interest in economic or financial affairs, actuaries, U. S. government departments, members of both houses of Congress, governors, a list of top mayors, state legislative committees on insurance, university teachers of insurance, statisticians, and officers of national, state and local associations of the National Assn. of Life Underwriters.

An additional several hundred copies of the Fact Book go to foreign countries. At one time the business was able to get life insurance figures from countries now behind the Iron Curtain. Since the war most of these countries answer that they don't have the information requested, don't collect it, or else they just don't answer.

Aids Press Relations

The Fact Book has helped disseminate among newspaper men the idea that the Institute of Life Insurance is the central source of information about the life insurance business. This serves to channel newsmen to the Institute when they are gathering information on life insurance with confidence that the In-

stitute has and will give or get them the answers to their inquiries. This has been a great help in giving reporters the proper slant on life insurance affairs. The undoubted success of the Fact Book and the Institute in this field is hard to measure since it is related to the amount of incorrect information that has not been printed as well as to the overall continually improving press relations that the business has experienced in recent years.

This year, for the first time, the book will have a square, flat back binding. Its size has been increased from 96 to 108 pages. The printing of the book costs about \$25,000, a modest sum when related to the accomplishments of the book as a public relations gesture by the business and its effectiveness in spreading the truth about life insurance.

THIS YEAR'S BOOK

The 1951 Fact Book will feature a bright green cover. The first two books to come out had bright red covers and since then it has had covers of blue, green and yellow. The red covered book was a particularly lively and popular one. The Institute plans to use that color every three or four years.

The Institute's production department makes up the book. An outside artist is retained to do the cover work and some of the charts.

For the first time, this year the book will contain a page of figures on insured pension plans, a table on mortgages by states, and more details on new investments than it has ever had before. In earlier years the Fact Book has always shown the life insurance in force as of a year previously, but this

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NALU Roster Off Only 2/10 of 1% Despite War

The National Assn. of Life Underwriters closed its 1950-1951 fiscal year with a total membership of 51,145, according to John D. Moynahan, manager Metropolitan Life, Berwyn, Ill., and president of the organization. He stated that this represented a decrease of only 111, or two-tenths of 1% below last year's closing figure.

When viewed in the light of world conditions which resulted in the call of many N.A.L.U. members into the armed services and the reduced rate of recruiting into the business, "we consider this year's membership effort an outstanding accomplishment," Mr. Moynahan said. He praised the work of Robert L. Walker, Peninsular Life, Orlando, chairman of the membership committee, his six regional vice-chairmen and the state and local membership chairmen. Mr. Moynahan cited as qualifying the fact that 40,110 renewed their membership this year.

Thirteen new associations were added, bringing the total to 376, another all-time high. Two state associations and 42 local associations beat their all-time high. The membership chairmen of these associations have received special recognition by having their names inscribed on the new N.A.L.U. membership roll and have received specially inscribed certificates. Two state associations and 42 local associations beat their all-time high.

In six months this year they have beaten a 12-month job previously attained in the years 1945-1950 inclusive. Mr. Moynahan predicted that by the time of the annual convention in Los Angeles in September membership will be at an all-time high.

J. Harry Wood to Be Commerce Professor, Edit CLU Journal

Leaving Presidency of Central Standard Life; Will Also Be Consultant

J. Harry Wood is resigning as president of Central Standard Life of Chicago July 31 and will become a university professor, editor, and consultant to life companies.

Mr. Wood has been appointed a full professor in the field of management at the Washington University school of business and public administration in St. Louis. He has been appointed editor of the Journal of the American Society of C.L.U. and will act in a consulting capacity to several companies.



J. Harry Wood

At Washington university, Mr. Wood will develop a course on business policy, a field in which there is growing interest among universities having commerce departments. The course will be for seniors and graduate students and its purpose is to bring together as a related whole the principles and problems which the students have studied as segments in their other courses. It will attempt to give the student an over-all view of the operations of business at the policymaking level. Mr. Wood is not a newcomer to Washington university, having previously taught management and sales administration there for a semester as a visiting professor.

Succeeds Walter Craig

As editor of the C.L.U. Journal, Mr. Wood will succeed the late Walter Craig, State Mutual, Philadelphia. Since Mr. Craig's death last August, members of the editorial board have been filling in as editors. A quarterly, the Journal will be five years old in September.

Mr. Wood, an early C.L.U., began his life insurance career with John Hancock's group department on graduation from Harvard in 1926. A few years later he was granted leave of absence to do graduate work at Columbia University. On rejoining the company he was assigned to the agency department as a field supervisor and later was transferred to Ohio as sales manager of the Ralph Hoyer agency, with headquarters at Columbus.

In 1933 Mr. Wood went with L.I.A.M. A.'s predecessor, the Life Insurance Sales Research Bureau, as a company consultant and member of the staff of the agency management school, later becoming director of the school. He also wrote many articles and a widely used training course while there.

Headed General Agency Department

Mr. Wood returned to John Hancock in 1936 to head the general agency department, where he remained for seven years and was a vice-president at the time he left. He was considered at the time to be the youngest man ever appointed to head the agency forces of one of the larger companies. In 1947 he was elected executive vice-president of the Massachusetts Protective companies, which include Paul Revere Life and Massachusetts Protective Association.

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The
COMMONWEALTH
Commentary

**ARE WE INVITING
“SOCIAL” INSURANCE?**

If families today were to protect their present standards of living in the same degree as families did in 1941, life insurance in force now would be two and one-half times as great as in 1941. But the record shows we are behind schedule in obtaining this protection for the average family—some \$65 billion behind or nearly 50 percent.

What has accounted for this lag? It's in the blue-collar group, say the authorities, because they are the new money-men and are comparatively uneducated to life insurance. They are your greatest responsibility and opportunity, for in achieving a degree of economic independence unknown to them before, they must be educated to life insurance as a means of securing that independence.

You have a most important story to tell this blue-collar group. And you must tell it well if we are to avoid a future generation, who, by not adequately protecting themselves, will be good subjects for a “social” insurance plan. Social insurance could happen. You, the underwriter, will play the biggest role in helping to avoid it.

MORE THAN A HALF BILLION DOLLARS
INSURANCE IN FORCE—JUNE 1, 1951

COMMONWEALTH
Life Insurance Company
HOME OFFICE • LOUISVILLE, KY.



People's Temper Veers from Scare Buying to Saving

Excess Defense Earnings Going into Bank Accounts, Insurance

The sharp shift of a large section of the public from scare buying to husbanding their excess dollars is being reflected in increasing sales of life insurance and greater activity in the savings departments of the banks. The off-again-on-again war and its reflection in the jumpy stock market have made the market a questionable alternative as a place for excess money. The life insurance men find that many of their prospects are super-saturated with luxury goods. They heeded the cries of "shortage," bought new automobiles, television sets and refrigerators a few months ago. Now they see the prices of some of such items are lower than at the time they bought them and in plentiful supply. Despite warnings of future shortages in the face of continued defense, they are inclined to believe there is an element of crying "wolf" in the tune carried to them through advertising. Many consumers are reasoning that with a Korean truce pending and a chance that defense will slacken its top demands in a year or two, they do not need to pour their money into gadgets. The new equipment they have bought will last them for some time to come, probably through what defense shortages develop. Yet they have money, because the level of income is very high, partly due to defense work.

These consumers are looking for places to put their money and apparently deciding in great numbers to put it in life insurance and in savings banks.

Savings Are Mounting

Many banks are reporting savings up for the first six months of the year. Life insurance sales for the first six months are ahead. The over-flowing inventories of many manufacturers of public consumption goods are feeling the brunt of consumer indifference and saturation. The insurance companies and the banks are reaping the inclination of many consumers toward the savings direction.

The life insurance salesmen have sensed the savings temper of many of the people and, of course, in many cases have fostered and developed this tendency.

A great number of consumers have been through inflation before. When the inevitable deflation came, they remember that they or their parents regretted not putting money into life insurance while dollars were cheap to reap harvest and security from this money when dollars are dear.

The life insurance salesmen are doing a big job combating inflationary tendencies by siphoning off extra purchasing power that would contribute to inflation. But credit is not all due to the salesmen. There is a definite trend noted by most life insurance men among the stabler people in communities to adopt some form of savings or life insurance.

Nat'l Bankers in Tenn.

National Bankers Life of Dallas has begun operations in Tennessee. John W. Richey, former assistant field director, has been appointed state manager. District offices in Memphis and Knoxville will be managed by J. W. Kennedy and John Brauns. National Bankers Life of Dallas is now active in 11 states.

Investing the Policyholders' Money

| | Acquired May 1951 | May 1950 | 5 Mos. 1951 | 5 Mos. 1950 | May 31, 1951 | May 31, 1950 | Holdings (\$000,000 omitted) |
|--|-------------------------|-------------|----------------|----------------|-----------------|-----------------|---------------------------------|
| U. S. Government Securities..... | \$ 716 | \$ 46 | \$ 37 | \$ 368 | \$ 12,109 | \$ 14,927 | |
| Foreign Government Securities | 33 | 2 | 96 | 34 | 1,480 | 1,424 | |
| State, Cnty., Mun. Bonds (U. S.) | 23 | 1 | 50 | 81 | 1,142 | 1,078 | |
| Railroad Bonds (U. S.) | 24 | 23 | 128 | 133 | 3,126 | 3,008 | |
| Public Utility Bonds (U. S.) | 59 | 143 | 345 | 552 | 10,417 | 9,692 | |
| Industrial & Misc. Bonds (U. S.) | 293 | 119 | 1,147 | 565 | 9,930 | 8,632 | |
| Stocks (U. S.) | 39 | 68 | 123 | 227 | 2,020 | 1,814 | |
| Foreign Corporate Securities | 17 | 4 | 83 | 77 | 711 | 581 | |
| World Bank Bonds | 1 | 1 | 18 | 1 | 71 | 51 | |
| Farm Mortgages: Vets. Admin. | 1 | 1 | 2 | 2 | 30 | 28 | |
| Others | 38 | 31 | 221 | 169 | 1,406 | 1,198 | |
| Non-Farm Mortgages: FHA | 90 | 122 | 492 | 624 | 4,906 | 3,939 | |
| Veterans Admin. | 125 | 57 | 673 | 151 | 2,628 | 1,330 | |
| Other | 235 | 166 | 1,078 | 680 | 8,752 | 7,332 | |
| Total Securities and Mortgages | 1,693 | 789 | 9,423 | 3,664 | 58,759 | 55,064 | |
| Farm Real Estate | 17 | 23 | 77 | 79 | 1,462 | 1,262 | |
| Other Real Estate | 51 | 42 | 246 | 211 | 2,496 | 2,293 | |
| Policy Loans ..... | ..... | ..... | ..... | ..... | 1,001 | 888 | |
| Cash ..... | ..... | ..... | ..... | ..... | 1,750 | 1,433 | |
| Other Assets ..... | ..... | ..... | ..... | ..... | 65,496 | 60,976 | |
| Total Assets ..... | ..... | ..... | ..... | ..... | ..... | ..... |  |

Insurers Oppose W. Va. Tax Move

Some 400 fire, casualty and life companies are in the process of arguing with the attorney general of West Virginia over a 50 year old statute by which the state is trying to apply a corporation license tax to insurance companies.

The attorney general has given an opinion in which he says that insurers should be liable for the tax, as well as "corporations."

More than \$500,000 in tax income to the state is involved which makes it improbable that the attorney general will change his mind without a law suit.

Meanwhile the state auditor has informed more than 400 insurers that they owe approximately \$1,000 each in back taxes plus interest for the last five years.

The companies filed a memorandum with the attorney general July 13, opposing application of the tax to them. A

conference with the attorney general is expected in the next few weeks.

The life companies and the stock fire and casualty companies have retained the law firm of Steptoe & Johnson of Charleston to handle their end of the suit. The mutual companies have retained Dale Casto of the firm of Kay, Casto & Amos.

Makes Weekly Premium Changes

Life of Georgia has liberalized juvenile features of its weekly premium contracts, effective July 30.

Premium insurance is being offered, graded death benefit scale is increased so that all policies will pay full face amount at age 2 and over, and double indemnity age limit is lowered to 5 (from 10) and raised to 65 (from 60) on standard contracts.

Travel accident insurance is added to substandard contracts without extra charge and graded death benefits on this business are doubled, with full face amount payable at age 4.

Higher Prices Rise, Harder They Fall

Linton Terms Inflation No Excuse for Not Buying Insurance

Prices are not likely to rise indefinitely and the higher they go the more likely they are to fall later on, M. Albert Linton, president Provident Mutual, declared at the regional meeting of his company in Hot Springs, Va. Mr. Linton said that in the past the numerous people who used inflation as an argument against purchase of life insurance lived to regret this excuse.

Mr. Linton said that the person who removes his money from the market place, where it would otherwise build up prices, and puts it into insurance premiums, channels his money into constructive use through investment in capital goods projects, many of which will increase production. He termed this a powerful force in combating inflation. The speaker commented that the increased number of dependent people, both old and young, and the large degree of population mobility, will tend to create new demands for capital investment, new housing, new schools and other facilities. "That means more business activity, increased national income, increased need for life insurance, and new opportunities for the life underwriter," he predicted.

No Halting in Defense Economy

Mr. Linton said that whatever the Korean outcome, this country will continue to be transferred into a defense economy. He declared: "The life insurance agent in this situation is in an enviable position. He is not plagued by material shortages or priorities and can select his prospects freely, seeking out those who have needs and incomes. The agent is unlimited in the scope of his business activities, save in his own personal energies and abilities."

He stated that the defense effort is going to put a large amount of income into the hands of the people and although purchasing power will be reduced through taxation as far as is politically feasible, a large reservoir of individual spendable income will remain.

There were more than 250 present at the three-day meeting, which was the second of four regionals.

Value of a Corporate Trustee

During the first session, Charles F. Bartlett, Philadelphia, cited the four outstanding values of using a trust plan with a corporate trustee in business insurance agreements. He stated the advantages and terms of both the decedent's estate and the welfare of the surviving associate. Whether the survivors are partners or stockholders, a corporate trust lessens the complexities involved in the contract transfer, he declared.

According to Mr. Bartlett, the corporate trustee through its trust officer may render vital services during preliminaries as a third party. A trustee serves as a non-biased buffer between the executor for the decedent's family and the surviving associates. A trustee makes possible a more complete segregation of business and personal assets so that a complete release or satisfactory note on the unpaid balance may be returned by the executor more quickly and with greater certainty. Such a trustee is ready to serve over the length of years that business insurance agreements are in effect.

James H. Cowles, agency vice-president, presided at the opening dinner. Charles T. Crothers, Wilmington, Del., related that in his community most of the business insurance prospects are the sole proprietor type. His average

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Insurance on Employees

Sadler Hayes, of the Penn Mutual's Carr R. Purser Agency, New York City:

"One of the great corporations of this country buys life insurance on certain employees. You may think this is group insurance, or you may think it is key man insurance. Or you may think it is stock purchase insurance, or a pension plan, or even a deferred compensation plan. But it isn't."

"It is life insurance, bought for the protection of this employee's family. The ownership is vested completely in the employee. The premium is paid by the corporation each year. The beneficiary is the employee's wife."

"In other words, when this company gives a man a raise, they give him a substantial life insurance policy as well. What greater tribute could we have to this financial instrument of ours than this? Top management buying life insurance for an employee."

"Why is it, then, that you and I have such a hard time persuading the individual to provide for his family's future through the adequate use of life insurance?"

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM
President
INDEPENDENCE SQUARE, PHILADELPHIA

ADVICE BUILDS PRESTIGE**Agents Alert Self-Employed Persons on Impending Social Security Deadlines**

Members of the public nearing age 65 who can qualify for social security retirement benefits by forehandedly taking the necessary steps to qualify as self-employed are highly appreciative of information that life insurance agents give them on this point, many alert agents are finding.

Many agents have gained valuable prestige this way with big-money clients, for whom social security pensions have great tax advantages. This prestige led to many sales that would not otherwise have materialized.

How the Plan Works

The transaction works out like this: The newly covered, self-employed individual, who has status similar to that of an independent contractor agent or general agent, is nearing 65 and is getting ready to retire. He has not previously been covered by social security. All he needs to be fully insured under the act is 18 months of covered employment.

When the time comes for him to report his 1951 income, he pays the 2 1/4% social security tax on \$3,600 of

income or \$81. He will do the same thing for the first six months of 1952. Total payments will be \$121.50. Then in July, 1952, assuming he is past 65, he retires and reports to the social security board. He collects \$80 a month for life. His wife will collect another \$40, if she is over 65, for a total of \$120 monthly income. Her income will drop to three-quarters of his at his death, or \$60 a month. This is in addition to whatever he is getting from his group pension or individual retirement plan.

Maximum Advantage

This of course, brings out the maximum advantage that can be derived by persons now 65 or more, newly covered by the act. However, the benefits can't be sneezed at by anyone from age 18 up. They are especially and obviously good to persons in their 50s or 60s who hadn't expected this newfound pension bonanza. They really appreciate being told about it.

Applying it to the life insurance, a retired general agent or agent, with sufficient renewal income, can report his renewals as income for 18 months and

then collect a social security pension. This is permissible under the prevailing status of renewals. So long as the retired general agent or agent does not perform any substantial services, he should be able to qualify for and collect social security benefits.

The same principle, of course, applies to all self-employed individuals who, incidentally, if not immediately attracted by the retirement benefits, can be interested in the survivorship benefits.

\$20,000 PENSION

The pension that can be earned by the independent contractor for the minimum 18 months of coverage whereby he pays \$121.50, is worth from \$20,000 up at current rates. Where the 63 1/2-year-old agent works as the employee of the company for 18 months and the company pays half of the tax, he gets his pension for only \$60.75.

The retired agent who still has a license, and writes only a "token" case on occasion, has been considered by social security offices not to be employed. His occasional commissions do not interfere with his receiving the social security pension.

Cite Tax Advantage

To the man in a high tax bracket, the tax-free \$1,440 a year from social security is a real boon. Annuity rates in one company for a man aged 66 with a wife aged 65 would require \$11,238 to produce \$60 a month for life for his wife, and \$9,216 to provide the same thing for him. This is equivalent of an \$80 a month benefit for him plus \$40 a month for her, reducing to three-quarters of his pension at his death or \$60 a month for her life. These figures are on a life annuity-no refund basis. The total premium is \$20,454.

Under present annuity tax rules 3% of the cost is taxable income each year until total tax-free income received equals the cost. Then, all the income is subject to tax, without regard to who paid the purchase price or who receives the annuity income. Of the \$20,454 total, \$613.62 is taxable the first year, leaving only \$826.38 tax free. But with social security, the entire \$1,440 is untaxed. In some tax brackets the difference in the use of social security and the annuity highlights even more this advantage of the social security pension.

Sets New Midyear Records

Connecticut Mutual Life ended the first half of 1951 with the greatest volume of new business ever recorded. New life insurance written amounted to \$126,782,080, up 5.9% over the corresponding period last year.

Total insurance in force reached an all-time high of \$2,194,928,834, a gain of \$83,232,758.

97 Out of 100 Ordinary Applicants Accepted as Risks**More Than Half the Policies Written Without Medical Exam**

The man who applies for ordinary life insurance today has 97 chances out of a 100 to be accepted as a risk. Figures issued by the Institute of Life Insurance show that this is a great improvement over conditions at the turn of the century when declinations often ran well over 10%.

Last year there were nearly 8,500,000 applications for ordinary life. All but 278,000 of these applications were accepted by the companies. Of those policies actually issued and paid for, 92% were at standard rates and 8% were on an extra-premium basis.

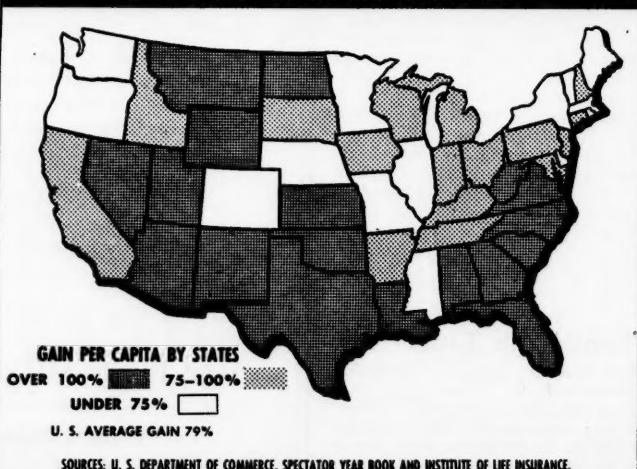
The extra-premium basis, which permits issuance of policies to large numbers of persons with impaired health or in hazardous occupations for a higher price than the normal risk pays, has been important in making policies available to larger numbers of persons.

Heart Disease Led Rejections

As a result of experience over the years, the life insurance medical men have been able to develop increasingly clear-cut measures of insurability. The principal cause of rejection during 1950 was heart disease and associated ailments, accounting for 45% of all policies turned down. Still, heart cases which were accepted represented 20% of the nearly 600,000 applications accepted on the extra-rate basis. Overweight was the chief cause for extra-rating and about one-third of the extra cost in cases was for occupational hazards.

During 1950 there was a continuation of the trend toward expanding the writing of policies without a medical examination. More than half of all applicants were accepted without medical examination. There was more than \$5,600,000,000 insurance issued on the non-medical basis during 1950.

A. Thornton Leonard has been elected president of the Connecticut General Club. Miss Mildred A. Sesse is vice-president, and Miss Mary D. Bolinsky, financial secretary.

20-YEAR INCREASE IN LIFE INSURANCE
AMOUNT IN FORCE PER CAPITA, 1930-1950

NUMBER THREE in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

EQUIPPED FOR SUCCESS

Field associates of the Equitable Life of Iowa are equipped for success. A direct mail system and a constructively developed range of promotional material provide effective pre-approach and prospecting assistance. Selling aids in the form of sales literature and proposal forms are available for point of sale use, while many and varied are the good-will and prestige-building items supplied for follow-up purposes. Of major importance among all Equitable of Iowa sales aids is the KEY TO SECURITY service, a comprehensive programming plan of amazing effectiveness.

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Life Insurance Company
OF IOWA



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Companies Ease Policy Terms in Flood Areas

Some Also Liberalize Mortgage and Policy Loan Requirements

Weigh War Claims Moratorium Plan

The life insurance industry is studying the budget bureau recommendation that under proposed war damage legislation the president be authorized to impose a moratorium on claims arising from enemy attack on life insurance companies and private retirement systems.

Manufacturers Life has appointed Neil L. Ball brokerage manager at San Francisco. Mr. Ball has been with the

company since 1926, when he joined the head office staff. He has been in branches in Regina, Sask.; Portland, Ore., and Lansing, Mich., before being appointed branch secretary in San Francisco in 1936. He was a U. S. merchant marine officer during the last war.

Crown Life Revises Rates

Crown Life has adopted a new schedule of premium rates which are lower in many categories. Term rates are substantially lower. The company now issues a preferred risk policy based on a minimum of \$1,000 under which the pre-

mium during the first five years is one-half the premium in later years. This is in addition to the preferred risk life plan now in effect, for which rates have been considerably reduced.

Newly included in the rate book are a five-year term contract renewable to age 65 and convertible to age 60, an additional term rider which may be added to any policy up to twice the basic amount of insurance and a new mortgage rider.

Massachusetts Mutual Life has been licensed to reenter Texas. The company withdrew in 1907.

Policyholders in the Kansas flood area are being offered additional grace periods by many companies, some of which are also easing conditions for their mortgages and policy-loan borrowers.

One of the most sweeping of such insurance company relief programs is that of National Life of Vermont, whose home state suffered great flood damage in 1927. Along with a resolution of sympathy the directors authorized the finance committee to make additional loans in the Kansas City area on loan applications which meet with the approval of the committee and to make whatever loan modifications the committee may deem desirable to borrowers who have suffered flood damage.

The company also added an extra 30-day grace period for policyholders in the disaster area for contracts falling due prior to Aug. 15. The company authorized general agents in the area to make policy loans without prior home office approval, as the executive committee may deem desirable, and to this end authorized the transfer of necessary funds immediately to Kansas City.

Penn Mutual Life has granted an additional 31 days of grace beyond that provided in the policy.

Also Applies to A. & H.

Aetna Life has notified its agencies in the area to extend up to an additional 30 days' grace on premiums due during the emergency. This applies to accident and health as well as ordinary and group life.

Connecticut General has extended the grace period to Aug. 1 and will grant additional time if the policyholder needs it.

Connecticut Mutual has granted an additional 31 days of grace. In emergency cases, requests for policy loans are handled by telegraph. It will liberalize mortgage loan handling where necessary.

Travelers is inquiring about conditions in the disaster area and will consider more liberal action after hearing from its representatives in the area.

Phoenix Mutual, on request, will grant an additional 30 days' grace where renewal premiums cannot be paid because of the emergency. Checks for policy loans will be sent from the home office by return mail at policyholders' request. The company will permit mortgage payments to be made after the due date without penalty if inability to pay is due to the emergency.

Runs Advertisement

Most New York area companies are extending the grace period an extra month. New York Life ran advertisements in the flood area on the extra grace period, and saying that branches would help make policy loans promptly. Branches routinely make loans up to \$1,000.

Mutual Life will accept premiums and policy loan interest up to 30 days late and make policy loans over the counter up to \$500. Mutual Benefit Life will allow for delays due to communication failure, waiving restoration rules if necessary. Guardian will follow its usual policy of accepting delayed premiums and mortgage payments due to disaster conditions. Home Life is extending the grace period two weeks in hardship cases and further mortgage cases will be handled on an individual basis.



"Our life together had been a series of separations and reunions until we 'tied up' with The Minnesota Mutual Life Insurance Company.

"Duane and I were both farm kids who met in high school, fell in love, and were married; but our home life was short-lived. Three months later, Duane's call for the air force marked our first separation. I could not be with him due to cadet training regulations. A year later, Duane was sent overseas for two years. During this time I vowed that if he returned safely, Duane and I would never be separated again. When he did return, happy to be back and proudly displaying his 5 battle stars and Belgium combat award, his feelings were the same as mine — to build a home and spend the rest of our lives together in one spot.

"Good jobs were hard to find so Duane finally returned to the job he held when we were married, an electrician with a national concern. He loved the work but it meant traveling, and we were immediately separated again. After three years of this, we agreed it was time to change jobs. The position he held gave us a good income but our new home could never be built because of the uncertainty of his

"We're Building Our Future Together"

says Mrs. D. C. Sink, Omaha, Nebraska

location. Three separations were enough for us!

"Duane answered many ads in the local paper but none of the jobs seemed to have the security he envisioned. Having our future foremost in his mind, he decided to look into life insurance as a career.

"Mark Fangman, the General Agent for the Minnesota Mutual, showed him their Success Bond Story. Duane was immediately impressed with the security it provided for a prospect's future and he knew his own would be a brilliant one if he could get on the Minnesota Mutual 'team.'

"At first I was worried. Could a farm boy with no selling experience sell insurance? Now I realize that anyone with a will to work can be a success using Minnesota Mutual's sales tools and wonderful plans. We have our new home and recently purchased our second new car. We are extremely happy enjoying the security and peace of mind that comes from spending every day of our lives together, helping build a solid future for ourselves as well as for those who invest in life insurance.

"We're sold on the 'Company of Security,' Minnesota Mutual!"

Duane Sink's dream of security is coming true. He joined the Minnesota Mutual in November 1948. Duane's paid business for the year 1950 totaled \$414,128. He has been on the App-A-Week Club for 85 weeks and is a member of the Company's "M" Club for persistency. Duane's success is due to the Organized Sales Plan with the amazing Success-O-Graph®, used exclusively by many Minnesota Mutualities.

*reg. U. S. trademark

Organized 1880
The Minnesota Mutual Life Insurance Company

SAINT PAUL 1, MINNESOTA

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|---|------------------------|
| THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY | |
| Saint Paul 1, Minnesota | |
| I want to know how D. C. Sink does it. I may be interested. No obligation to me, of course. | |
| Name _____ | |
| Address _____ | |
| City _____ | Zone _____ State _____ |



Over \$7,000,000.00 Congratulations!—

and thanks—to the men and women of our field organization who established a new record production during our nineteen fifty-one Anniversary Campaign.



Bankers Life
INSURANCE COMPANY
OF NEBRASKA

LIFE SALESMEN EXPERIENCED IN

PROVEN PLAN with adequate supply of leads in practically all states except New England. Leads furnished without cost. Men now selling 90% of leads, with \$4,000 average policy per sale.

Only men with valid life insurance licenses and unquestioned reputation for integrity will be considered.

This is a permanent selling plan, coordinated with our regular agency activities, and not just a temporary campaign. Men accepted will be given protected territory, high commissions. Those who qualify will be entitled to vested renewals.

Aggressive life company, operating on national basis, and maintaining high standards of agency and selling practices.

ACT NOW. All inquiries confidential.
Write, giving full details of experience.

Says Clark Health Report Misses Being "Dispassionate"

While Dr. Clark and his associates deserve much credit for their comprehensive job, the recent Clark report on voluntary health insurance in the United States falls short of being entirely "dispassionate and objective," Benjamin B. Kendrick, research associate of Life Insurance Assn. of America, said in a review of the report.

The report known officially as "Health Insurance Plans in the United States," is the result of a special study of voluntary health insurance conducted for the Senate health subcommittee, of which Herbert H. Lehman (Dem., N. Y.) is chairman. The study was made under the direction of Dr. Dean A. Clark, general director of the Massachusetts General Hospital and president of Co-operative Health Federation of America, an association of independent health insurance cooperatives.

Morris Pike, second vice-president of John Hancock, who served as an assistant director of the Clark staff is stated to have been largely responsible for the factual merits of the report. The insurance business had submitted on request a 140-page document on its health insurance activities which is an appendix of the Clark report.

The Kendrick review of the Clark report states that despite Senator Lehman's description of the report as "objective and factual" and a similar characterization of the report by Dr. Clark, it "does not appear to be entirely dispassionate and objective."

"Warm" to Cooperatives

The review points to what is termed Dr. Clark's "warm feeling" for health cooperatives, which offer comprehensive benefits, and says:

"While much may properly be said in favor of comprehensive benefits and while the health cooperatives may indeed have operated under various handicaps, the plain fact is that these organizations have yet to demonstrate that any appreciable proportion of the American people wish to purchase the type of protection which they offer for sale. Nowhere in the report is this fact brought out clearly."

"Indeed the Clark report—despite rather cautious phraseology—seems tacitly to assume that virtually everyone ought to have complete protection against practically all health expenses, whether they want it or are willing to pay for it or not. Almost ignored are a number of points made in the insur-

ance companies' report to the Clark staff concerning such matters as population groups not needing any health insurance, the advantages of eliminating trivial items of protection from insurance policies, the purpose and value of the coinsurance principle, and so on.

The review also scores the Clark report in that, while concerned only with voluntary insurance, "an occasion passage seems to be an oblique reflection of the family-held view that compulsion will sooner or later be inevitable." **Indebted to FSA**

In this regard, it is noted that the report expresses "great indebtedness to the health insurance experts of the Federal Social Security Administration as having 'participated in and contributed to' the study. "These experts, of course," it is added, "have for long been ardent champions of compulsory health insurance."

The restricted scope of the Clark report was unfortunate, Mr. Kendrick says. The limiting of the report to hospital, surgical, and general medical insurance—a limitation apparently dictated by pressure of time—had the effect of darkening the picture of what insurance is doing to meet needs for protection against the costs of ill health.

Many hospital and doctors' bills are of course paid with funds coming from loss-of-time or weekly indemnity insurance, from workmen's compensation insurance, from accident insurance, from liability insurance, and from life insurance, among other insurance forms. Such payments are generally left out of account in the summary figures, without any immediate note. Elsewhere in the report, however, the scope limitations are spelled out.

Giving credit to Dr. Clark and his associates for assembling the data in brief a period, the review says the report will doubtless be a reference work for some years to come, but indicates it should be read with care.

"Also," Mr. Kendrick adds, "the report seems intended to be dispassionately objective, and in considerable measure it succeeds. Yet a narrow margin of failure to achieve objectivity may be more serious than a larger one. If the failure is small, persons lacking background in the field are more likely to conclude that the report is entirely objective and to accept those of its findings which are questionable without raising questions."

Chief Points Summarized

The following points—largely quoted from the report—summarize the chief findings, observations, and recommendations:

1. "Out of our population of 150 million people, an estimated 75 million have insurance against some part of the costs of medical care, while another 75 million have not yet been reached by voluntary medical-care insurance."

2. Medical-care insurance paid about \$755 million in benefits in 1949. "Voluntary insurance plans do not cover about 80% of that portion of the nation's medical-care bill generally regarded as the minimum that is potentially insurable."

3. "Insurance benefits for such items (as dental care, nursing care, and drug and medical supplies outside the hospital) were negligible."

4. "Voluntary medical-care insurance is most common among people easily accessible to group insurance and less common among those difficult to reach by the group method." Rural residents, lower-income families, newborn infants, aged persons, Negroes, self-employed persons, sick or disabled persons etc., are less likely than others to qualify for or to have health insurance.

5. "From 55 to 93 cents of the subscriber's dollar comes back in benefits and dividends, depending upon the particular plan to which he belongs and whether he is insured as an individual or as a member of a group."

6. "The comprehensive plans have shown that it is practicable to cover almost the entire costs of the service."

(CONTINUED ON PAGE 20)

Box G-20, National Underwriter
175 W. Jackson Blvd., Chicago

Rules Wis. Life Fund Can Turn Down Negro Risks

MADISON, WIS.—The Wisconsin State Life Fund, operated under the direction of Commissioner Lange, was upheld as being within its rights in turning down an application of a Milwaukee Negro for a life policy because of the higher mortality rate of the Negro race as compared with whites which makes the former a substandard risk.

The ruling was made by Judge Sachtjen of Dane county circuit court in a case started by James Rancher, Milwaukee, who had been refused a \$1,000 state fund policy. The decision of the state life fund, Judge Sachtjen said, "is not based in any way on prejudice or hostility to the Negro race, but solely because of their higher mortality rate." No question of constitutional rights was involved, the court held.

Rancher previously had filed suit in federal court at Madison against Commissioner Lange and other state officials. Former Atty. Gen. T. E. Fairchild has asked delay pending a decision of the court in a declaratory judgment suit to determine the constitutionality of the 1911 law under which Negroes are classed as substandard risks.

Cites Private Insurers Practice

The court said that private companies also classify members of races other than the Caucasian as substandard risks and legally refuse them insurance at premiums based on the American Mortality Experience Table. Figures were cited from the 1940 census bureau tabulation showing the higher mortality rate among Negroes over whites.

Private companies that insure Negroes differentiate between them and white persons by charging higher premiums, allowing a smaller commission to agents, applying a stricter policy or limiting solicitation.

"The state life fund is very small in comparison to private companies," Judge Sachtjen said, "and it is financially unsound for a small organization such as the state life fund to depart from the accepted underwriting practices."

"According to state law, the life fund is to be administered without liability to or subsidy from the state. Consequently, Commissioner Lange must keep the life fund solvent, which of course can be done only by careful selection of risks," the court said.

Breidenbaugh, James to A. & H. Unit of Prudential

O. J. Breidenbaugh and A. J. James have joined the newly organized sickness and accident department of Prudential.

Mr. Breidenbaugh, who has been with the D. Stuart Walker agency at Philadelphia for Mutual Benefit H. & A., will specialize in developing training courses for A. & H. Before going with the Walker agency, Mr. Breidenbaugh was executive secretary of National Assn. of A. & H. Underwriters and before that was an instructor in A. & H. courses at Purdue and other leading universities.

Mr. James has been with Pacific Mutual Life as assistant chief underwriter. He has been with Pacific Mutual since 1924. With Prudential he will assist in the development of A. & H. underwriting and claim activities.



O. J. Breidenbaugh

Nelson States He Has No Gubernatorial Intentions

ST. PAUL — Commissioner A. Herbert Nelson, who took office only two months ago, has stated that he has no intention of running for governor in 1952. He said he hopes to conduct his office in such a way as to merit reappointment when his term expires Feb. 1, 1953. His statement was prompted by the recent announcement that Gov. Youngdahl will resign Sept. 1 to accept a federal judgeship at Washington. Youngdahl will be succeeded by Lt. Gov.

Anderson.

In 1948 Commissioner Nelson and Anderson were rival candidates for lieutenant governor, Anderson winning out in the primary. Nelson has long been a close friend of Gov. Youngdahl and was drafted by him to take over as commissioner when Armand Harris resigned recently.

"It would certainly be betraying public and professional confidence in me to consider leaving this office a few months or a year after I accepted it," Commissioner Nelson said. "The few months of my experience in the department indicate to me that much can be done to

protect and foster the public's interest in insurance."

Persons 6-Month Leader

The Henry W. Persons agency of Chicago led all Mutual Life agencies in sales the first six months of 1951. The Richard E. Myer agency at New York led in policies sold and was second in volume. Milwaukee, managed by George A. Knutson, was third in volume. Charles E. Brown's Grand Rapids agency was second in policies sold and Spokane, Lyle H. Funnell manager, was third.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

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WUG150 PD=NEW YORK NY JUN 5 109P:

=W P WORTHINGTON, EXEC VICE PRES:
=HOME LIFE INS CO:
=HOME LIFE AVERAGE POLICY OF 12,275 DOLLARS SOLD DURING 1950
WAS HIGHEST FOR 14TH SUCCESSIVE YEAR AMONG ALL NORTH AMERICAN
COMPANIES WITH OVER ONE HUNDRED MILLION DOLLARS OF INSURANCE
IN FORCE STOP AVERAGE SOLD WAS 12,294 IF INCREASES REVIVALS
AND ADDITIONS INCLUDED STOP AVERAGE POLICY IN FORCE OF 6,480
DOLLARS WAS HIGHEST FOR 9TH CONSECUTIVE YEAR:
=ROBERT W LORD VICE PRES
FLITCRAFT INC
75 FULTON ST NEW YORK 38 NY=..

THE COMPANY WILL APPRECIATE

\$12,275
AVERAGE POLICY SOLD
DURING 1950

A result of meeting the needs
of Preferred Clients through
PLANNED ESTATES SERVICE

HOME LIFE
INSURANCE COMPANY
New York

"A Career Underwriters' Company"

WILLIAM J. CAMERON
President

WILLIAM P. WORTHINGTON
Executive Vice President

Baby Born Today May Expect to Live to Age of 68 Years

The baby born in the U. S. today may expect, on the average, to live to age 68, compared with an expectancy of life to age 47 for those born 50 years ago. Despite this, the person in middle or later life today has relatively small additional expectation of life. These facts were emphasized by the Institute of Life Insurance in an analysis of the death rate and length of life trend of the first half of the century.

The greatest gains toward longer life have been made at the younger ages with the result that the nation is rapidly building up a larger proportion of middle-aged and aged persons, rather than adding any great number of years to later life.

The death rate in infancy and childhood since 1900 has been greatly reduced. There has been a greater decline in the death rate among women than among men. These gains have been brought about by the accomplishments during the last 50 years in medicine,

surgery and drugs.

The findings show that the expectation of life at birth of a baby has increased by more than 20 years in the half century. Out of every 100 babies born during 1951, 96 may expect to reach school age, compared with 82 among the babies of 50 years ago. While the life expectancy at birth is 40% ahead of a half century ago, at age 20, the gain over 1900 is less than 20%. And for the most of the years of life after that, the increase in longevity has been about 12% to 18%.

The women have added 3½ years more to their life expectancy than have men in the half century. Female babies have an outlook of some 22 years more than 50 years ago, while male infants have an outlook of 18 years more. In 1900, women and men could expect 48 and 46 years from birth, respectively. These figures had risen to 70 and 65 by 1948.

Health Plan for Machinists

Pacific Mutual has arranged with International Assn. of Machinists to write a health and welfare plan on their workers in the Great Lakes area. The territory has a potential 96,000 insured employees in both small and large shops.

3,000 Better Trained Agents Serve the Public

More than 3,000 life insurance agents have been added to the ranks of those who serve the public as more competent specialists due to training in the Life Underwriter Training Council courses. The number successfully completing the L.U.T.C. classes this year was evenly divided between agents who sell weekly premium as well as ordinary and those agents who concentrate entirely on ordinary. The past year broke enrollment records in a training program which began in 1947 and during this fourth year of operation there were 4,400 students enrolled in the courses. A record number of 3,514 met all classroom, case and project assignments and qualified to take the final examinations. The percentage of those passing the final examinations was 90. These figures are significant because the ranks of life insurance salesmen have been thinned by those leaving for military service and a number of L.U.T.C. students were in this category.

The L.U.T.C. courses were carried on in 40 states and Hawaii. The classes during 1950-51 included representatives from 270 companies and 65% of those enrolled were full-time life insurance agents actively engaged in selling to the public.

Hershey Faces Contest

Alleging errors in counting, a petition has been filed to contest the election of Harry B. Hershey as justice of the Illinois state supreme court from the second judicial district. Mr. Hershey was formerly attorney for the liquidator in the Illinois insurance department, then was insurance director of Illinois, and subsequently was engaged in insurance law practice at Springfield and Taylorville. He was elected to the supreme court bench by a margin of 184 votes on June 4. The petition was brought in behalf of three Republican committeemen.

\$20,000 Education Grant

A \$20,000 grant has been made by Texas Life Convention to the University of Texas and will be used at the rate of \$4,000 per year to expand courses offered in insurance, particularly life insurance, and to supplement the salary of an outstanding professor in that field.

New Retail Credit Offices

Retail Credit has opened a branch in New Brunswick, N. J., and a second branch in Philadelphia. A. T. Tiller, assistant manager at Newark, has been appointed New Brunswick manager. R. W. Dietrich will head the new Philadelphia branch.

Just Across the Street in Salt Lake, L. A., Chicago

John W. Lawrence recently was appointed general agent for Massachusetts Mutual and Robert E. Florian has been named general agent of Connecticut Mutual and the two gentlemen find themselves across the street from one another for the third city in a row. Mr. Florian's new office in Chicago is at 207 South LaSalle street and Mr. Lawrence is now located at 135 South LaSalle street in that city. A few weeks ago, Mr. Lawrence as director of training for Pacific Mutual Life was directly across the street in Los Angeles from the offices of Mr. Florian, who was general agent for State Mutual Life. It started back in Salt Lake City where Mr. Lawrence, as manager for Prudential, had an office across from Mr. Florian who was general agent for Aetna Life there.

J. R. Glennon Takes Ill. State Post

Joseph R. Glennon has been appointed by Insurance Director Day of Illinois as deputy in charge of company regulation. He leaves the Iowa department where he has been chief examiner, to take the new position. He has been in the Iowa state service 18 years. His duties in Illinois will include coordinating the work of the various company supervisors in handling admissions and regulation of companies and in providing closer liaison between the regulatory work at Springfield and the examination division at Chicago.

Mr. Day states that this is comparable to the reorganization last fall of the rating responsibilities whereby S. Tyler Nelson was appointed deputy in charge of the rating division. Additional need for this new position was created, according to Mr. Day, by the fact that Frank Bartsch, chief deputy is increasingly occupied with the recently expanded work of the liquidation bureau of which he is in charge at Chicago.

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When Is A Bargain?

TWO CABBAGES for the price of one is no bargain when you need only one cabbage.

But two disability income dollars for the price of one, and payable when you need them most, is a bargain.

Occidental's C-22 Disability Income policy with 90-day elimination meets that definition of bargain for many men. It waives income the first three months of accident or sickness disability in order to pay twice as much income thereafter—for life, if necessary.

This makes sense to the men who get sick leave pay for short-term disabilities but fear a long-haul disability.

Occidental Life

INSURANCE COMPANY OF CALIFORNIA

W. B. STANNARD, Vice President

**...a Star in the West*

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO"

build
your
security
the
All-American
way

A GENERAL AGENCY
COMPANY

HARRY S. McCONACHIE
Vice President

*American
Mutual Life*
INSURANCE COMPANY
DES MOINES, IOWA

Who writes what

POSTAL LIFE writes precisely the policies you want, and need, in serving your clients—as agents, brokers, or surplus writers.

For particulars see any Postal Life General Agent or write

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INSURANCE COMPANY
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Truman Urges OASI High Three Year Boost If Relief Payments Are Upped

WASHINGTON—President Truman this week urged Congress to increase social security insurance benefits if it increases relief payments.

Mr. Truman said that Congress should require that any additional federal cash for relief go to relief beneficiaries and not merely serve to cut down the amounts which states pay from their own funds.

The President incorporated his views in a letter to Vice-President Barkley as the Senate took up a bill to raise the federal share of relief payments to the aged, blind and disabled and to crippled children by \$140 million a year.

In the Senate, Senator Cain of Washington attacked the entire social security program's operation, saying that it is "expanding at a crazy rate just as cancer cells do and will eventually, I firmly believe, wreck our economy unless a halt is made."

Cain opposed the proposal for an extra \$3 a month of federal money for the aged but said he was "ready to pay as high a tax as my fellow citizens are willing to pay to put an honest social security into operation."

Additional \$3 Per Month

The bill being considered would provide \$3 a month additional for the needy, aged, blind and disabled, and \$1.60 for crippled children.

The Truman proposal for a boost in insurance benefits was offered in an amendment sponsored by Senators Lehman of New York, Humphrey of Minnesota, and Langer of North Dakota. The Senate, however, had taken no action on the amendment when it closed down Wednesday.

The amendment would make a slight revision in the formula for computing payments to future beneficiaries. It would increase the maximum for an individual from \$80 to \$83.50 a month, and for a man and wife from \$150 to \$160. The minimum for a widow with children would go up from \$40 to \$50.

Mr. Truman's proposal to require that the extra money for public aid actually go to those on relief was adopted in an amendment ordered by Democratic Leader McFarland of Arizona.

The President stated that the basic purpose of public assistance is only to supplement the social security insurance system and therefore it is essential to keep the average insurance benefits at least as high as average payments for public aid.

Post Card from Brazil Has Photo for Address

Proof that life insurance agents are often the best known men in town is provided by J. Robert Nolley, Northwestern Mutual, Richmond, Va. Mr. Nolley recently received a penny post card from Brazil despite the fact the card carried in the space for address nothing but his photograph. The card had been sent as an experiment by A. W. Holmes, also of Northwestern Mutual at Richmond, who was vacationing in Brazil. The card passed from person to person in the Richmond post office without recognition and then was shunted off to the Baptist church on the ground that Mr. Nolley looked like a Baptist missionary home on vacation. He turned out to be no Baptist and, after a try at the other churches, the card was returned to Postmaster Fergus McRee. It turned out that the postmaster is well acquainted with Mr. Nolley and so the life insurance agent received the card without much delay.

Polio Rate Alters "Normalcy" Concept

Tripled incidence of infantile paralysis in the past three years has created a new concept of normalcy for polio, in which it is no longer possible to speak of a normal average of 10,000 new cases per year, according to National Foundation for Infantile Paralysis.

Polio touched more people and

reached into a wider area as the trend of incidence continued high last year, according to the foundation annual report. Assistance was given by the foundation to 56,000 polio patients last year, when 33,351 new cases were reported.

The 1950 epidemic completely wiped out many old values. Last year's toll of 33,351 polio cases was second in severity only to the record high of the year before, when 42,366 children and adults were stricken. The changing concept of normalcy was further demonstrated in 1950 by intense pressure over wide areas of the country, instead of the

dramatic concentrations of earlier years, the report states.

In 22 states the rate of 20 cases per 100,000 population, regarded by health authorities as epidemic, was exceeded. Rates ranged from California's 20.2 for its third severe year in a row, to Iowa's 53.1. There were nine states experienced their worst epidemics in history. These were Texas, Virginia, Ohio, Iowa, Louisiana, Maryland, Mississippi, Oregon and Tennessee.

More than 50 home office employees of Life & Casualty donated blood to the National Red Cross blood bank.



CHARLES E. CASSETTY

A former school teacher without sales experience, Charles Cassetty has performed phenomenally in the small Tennessee community of Gainesboro. (Population less than 1,000)

He gives all credit to Franklin exclusives on which he has concentrated. His particular favorite is the PPIP.

His first sale was made April 11, 1950. Total first year cash earnings: \$11,095.66.



An agent cannot long travel at a faster gait than the company he represents.

First Year Cash Earnings \$11,095

April 10, 1951

Mr. J. V. Whaley, Vice President
The Franklin Life Insurance Company
Springfield, Illinois

Dear Mr. Whaley:

I would like to thank you and the Home Office for the cooperation you have given me in the first year of my association with the Franklin Life Insurance Company. It was one year ago today that Wilson Summar "rescued" me from the teaching profession and brought me into this wonderful organization. I will ever be grateful to you and him for the inspiration you gave me. Since I have been associated with the Company I have made well over 250 sales and have over \$500,000 net on the books at the present time. My income during the past year was about three to four times what I had anticipated. I give credit to the Company and President Becker for the exclusive programs they have devised. I am especially fond of the PPIP and have specialized in that program during the past year.

I live in a small town with a population of less than 1,000 people and in an agricultural section of the country but have come to the conclusion that if I get out and see the people that I cannot help but sell the exclusive merchandise of the Franklin Life Insurance Company.

Sincerely yours,

Charles E. Cassetty



The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

A BILLION DOLLAR INSTITUTION

EDITORIAL COMMENT

Policyholders' Interests in Mind

Life insurance is a big, sprawling business built upon the closest of personal financial relationships through the millions of contacts made by its salesmen.

Yet it is interesting to see that despite their size companies never stop trying to get along cordially with their policyholders. Often little more contact is possible than a premium notice or an annual report. But policyholders are kept in mind much more than an occasional mailing indicates.

One of the fascinating aspects of life insurance which critics have never been able to ridicule successfully, despite their many attempts, is the sense of obligation the staffs of companies have for the policyholders for whom they work. "The policyholders" may be a great amorphous mass of people, sometimes millions of them, but they are not a collective nonentity.

Need for a Finer Courtesy

We need in all our relationships with people to cultivate a finer courtesy. Too often we are indifferent to those about us. We do not have a heart for the other fellow. We may be particularly favored

The growth of the business in recent years hasn't taken it away from its owners. In fact it may have brought them closer as the leaders of the business take an ever more aggressive attitude in defense of their policyholders' rights.

An outstanding example of how policyholders are always kept in mind is the constant attention that companies have given to keeping down expenses while providing policyholders a maximum of service. There is little likelihood that a policyholder could walk into a home office and exert substantial influence on company policy or prove that it is being mismanaged. But even with today's stiff competition, considerable waste is possible and might go unchecked. But the business hasn't let that happen. The concept that whatever is done must be of benefit to the policyholders, however great their number, still pervades the life business.

Business Leaders in University Posts

The move of top business executives and professional men to university posts is one of the interesting developments of the last few years. A most conspicuous example is the announcement this week that J. Harry Wood, president of Central Standard Life of Chicago, is resigning July 31 to become a full professor at Washington University in St. Louis. Mr. Wood will develop a course in business policy for seniors and graduate students at the school of business and public administration.

Another example was the acquisition last month by Massachusetts Institute of Technology of the vice-president of Sears-Roebuck as dean of its new school of industrial management.

While such a trend, of course, involves a sacrifice for the company that has to lose one of its chief executives, nevertheless, in the aggregate it is a fine thing for both business and the universities. The need for courses such as Mr. Wood will be developing at Washington University has been increasingly recognized by officials of universities having commerce schools. They have also realized, however, that appreciating the need is one thing and getting somebody who is qualified to

teach it is something else. Hence it is not surprising that implementing the idea has lagged far behind appreciation of its merit.

Geometrically it may be true that the whole is equal to the sum of its parts, but in business operations there is more to it than that. The student who has conscientiously absorbed the material from his various business courses still needs to be shown how everything meshes together if he is to be given the greatest help in developing himself for major executive and administrative responsibility.

The professor who can take all the various aspects of business operations and integrate them into an understandable and interesting unity is in a position to exercise a unique and valuable influence. Where this is not done, there is more than a little danger that the students will not see the forest because of their preoccupation with the individual trees. Many of them later succeed in making their own synthesis from what they have learned about the various aspects of business but it is equally clear that much time and economic waste would be saved by doing this with the help of competent guidance

while still at the student level.

Mr. Wood has long had an interest in teaching, going back to when he taught the first C. L. U. class in Columbus, O., in 1931. He is eminently qualified, we feel, for his new post.

Washington University is to be congratulated and the life insurance business should be proud to have supplied one of its executives as a pioneer in the development of this new and valuable side of business education.

PERSONAL SIDE OF THE BUSINESS

Albion and Irma Cox, both with the National Mutual Benefit agency at Milwaukee, were honored at their home in New Berlin on their 59th wedding anniversary by 40 associates in the company's Madison and Milwaukee offices. Mrs. Cox has been with the company 48 years and Mr. Cox for 20 years.

Elmer C. Moore, New York Life, Wichita, trustee of National Assn. of Life Underwriters, has been named to the board of the Sedgwick county Red Cross.

O. Kelley Anderson, president of New England Mutual Life was the subject of a lengthy profile on the financial page of the Sunday edition of the New York Times.

Leroy A. Lincoln, chairman of Metropolitan Life, will head the 1952 fund raising activities of the New York chapter of the American Red Cross.

William E. Buchanan, Appleton, Wis., president and treasurer of Appleton Wire Works, was elected trustee of Northwestern Mutual Life.

John T. Shirley, general agent of the New England Mutual Life in Pittsburgh, has been elected to his third term as a trustee of Bucknell University.

Miss Katherine Bramhall, daughter of General Agent William M. Bramhall of New England Mutual at Chicago and Mrs. Bramhall, was married to John P. Hendrickson at Wilmette, Ill.

Group Life Covers 28 Million Workers

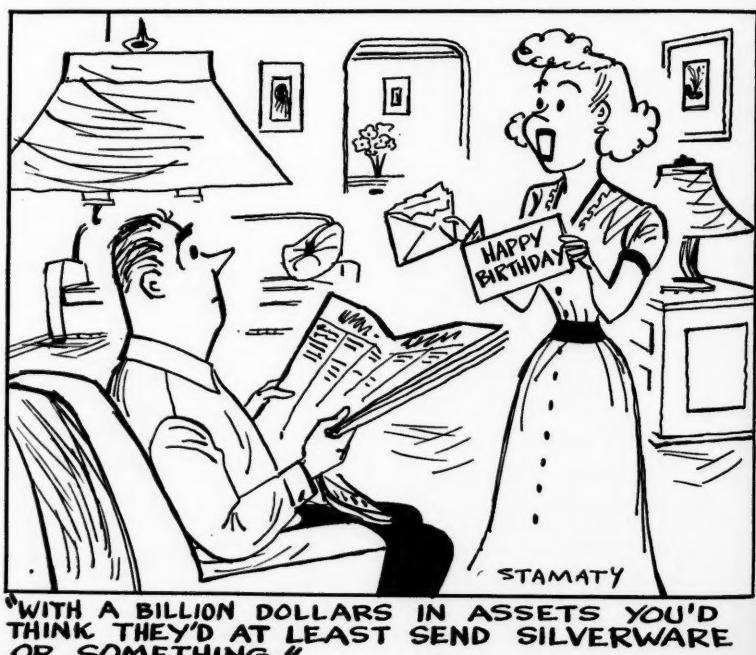
If you are employed, the chances are very good that you are covered by life insurance through the group with which you work. Figures compiled by Institute of Life Insurance show that nearly 28 million workers in the U. S. have group life insurance protection, aggregating \$50 billion in protection. Group life covered compares with 23 million workers in 1949 and 14,500,000 five years ago.

Group life insurance is held under 66,000 master policies whereas five years ago there were 36,000 master contracts.

The group life insurance offered through employer-employee groups averaged one year's income continuation for those covered under the policies.

Jefferson Nat'l Names Cole

Jefferson National Life has appointed Paul B. Cole manager at Hamilton, O. He is a former associate manager there for Western & Southern. Before that he was in industrial relations and personnel work in Ohio.



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BRANCH OFFICES IN KEY CITIES

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July 20, 1951

LIFE INSURANCE EDITION

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Pay Record Amounts to U. S. Families in 5 Month Period

The life insurance companies paid American families in the first five months of 1951 a total of \$1,716,111,000. Institute of Life Insurance places this at \$132 million more than in the first five months of 1950. This reflected increases in both benefits paid at death and payments to living policyholders.

From Jan. 1 to May 31, 1951, the death benefits paid amounted to \$735,203,000, 9% more than the year before. This five months' total was greater than the death benefits paid in any full year to 1929.

The gain over last year was partly due to the growth of insurance in force, although the higher death rate among policyholders in the early months of the year was a factor. Figuring in this trend also was the death rate in the Korean war.

Payments of various sorts to living policyholders, including matured endowments, disability payments, annuity payments, surrender values, and policy dividends, amounted to \$980,908,000 in the five months, up \$72,455,000 from a year ago.

L. C. Cocheu of VA Joins Continental

Lincoln C. Cocheu, veterans administration regional insurance director at Chicago, has resigned to go with Continental Assurance's group department, where he will be engaged in actuarial and administrative work.

He will be assistant actuary.

Replacing Mr. Cocheu at the VA is Edward G. Joseph of St. Louis, formerly of New York Life and Equitable Society. He has been insurance director at St. Louis since 1946 except for a period at Washington as head of the special insurance dividend service.

Mr. Cocheu joined Metropolitan Life's actuarial division following graduation from University of Michigan. He left in 1937 to become an actuary with the Treasury department. In 1938 he became senior actuary for the bureau of old age and survivors' insurance in the social security administration. Following naval service he joined the veterans administration as Chicago insurance director. He is an associate of the Society of Actuaries. With the VA, his territory included Illinois, Indiana, and Wisconsin.

Hesslein to Pilot at Miami

Pilot Life has named Frank B. Hesslein as supervisor at Miami. He succeeds Birger M. Salberg, who has been appointed field service manager at the home office.



"... open Monday in Baltimore. You can reach me at the largest hotel... what? ... Where I always stay, The Lord Baltimore, of course!"



David H. Harris,
manager individual
A. & H.



H. L. Whitenight,
associate manager
railroad securities



Dr. W. M. Reynolds,
associate medical
director



Dr. Geo. Goodkin,
associate medical
director



E. S. Jarrett,
supervisor agents'
training

Shown herewith
are five Equitable
Society men whose
promotions were
reported in last
week's issue.

Beam New England Mutual Workers' Message to World

Home office employees of New England Mutual Life will be featured on the short-wave radio program entitled, "Freedom Speaks," to be broadcast over station WRUL to Europe and South America this summer. The program will consist of a series of on-the-spot interviews recorded at the desks of New England Mutual people. The program is under the direction of World Wide Broadcasting Corp., a private enterprise, devoting itself to interpreting America to a world-wide audience.

There will be the familiar sound of typewriters and business machines in the background as the participants in the program speak. Those employees featured will be chosen by their work assignments or personal backgrounds. They will be called upon to explain to an audience of many millions how the operation of mutual life insurance exemplifies and strengthens the ideals of freedom, cooperation and individual resourcefulness. The conversations between the interviewer and the employee will be entirely spontaneous to insure complete authenticity.

Station WRUL is located at Scituate on Massachusetts' south shore. It has an audience throughout the world, especially in countries behind the iron curtain. It supplements the government's Voice of America broadcast by relaying from the mouths of Americans an evaluation of their living and working conditions to counteract with the truth the blasts from Moscow.

DEATHS

ALFRED L. SEARLE, 76, retired head of the income settlement department of Connecticut Mutual Life, died at his home in West Hartford. He had been with the company for 53 years prior to his retirement in 1945. He started as a clerk in the actuarial department and became secretary to Vice-president William H. Deming. He assumed charge of the income agreement department about 1914 and became head of the income settlement department in 1936.

BENJAMIN H. HILL, 51, member of the general counsel's staff of New York Life, died at his home at Greenlawn, L. I. He had practiced law in Miami, Fla., before going to New York in 1930, where he had practiced for a few years before joining New York Life.

ADOLPH C. VAN CURA, 59, retired district manager for Metropolitan at Chicago, died at his home in LaGrange Park, Ill. He had been with the company at Chicago since 1915 and headed the Dearborn district for many years.

MRS. ELIZABETH W. BOYD, mother of Morton Boyd, president of Commonwealth Life, died at the age of 82.

ALEX EBERHARDT, 58, mortgage and loan representative of Equitable Life of Iowa at Minneapolis, died. He at one time was an agent there for Equitable Society.

Court Stays Dissolution of Standard of Pa.

PITTSBURGH — An injunction obtained by two minority stockholders caused postponement of a stockholders' meeting scheduled for Monday to act on the dissolution of the company on the dissolution of Standard Life of Pittsburgh.

The plaintiffs are Harry Keller and James C. Brinton. Mr. Brinton is acting on behalf of a relative who has 22/40 of one share out of a total of 30,000 outstanding. The court required them to put up a \$25,000 bond to guarantee against any loss occasioned by the suit. They have put up \$10,000 and have until Aug. 2 to put up the remaining \$15,000.

The basis for the suit is not apparent since all business of Standard Life and all assets were transferred to Central Life of Illinois May 1, with approval of the Pennsylvania and Illinois depart-

ments. The court set Sept. 4 for a hearing.

Mo. Employees Under SS

JEFFERSON CITY, MO.—Missouri has entered into an agreement with the federal government making operative a recently enacted law extending federal old age and survivors' insurance benefits to state employees. Missouri becomes the 15th state to take advantage of the 1950 social security act amendments permitting such an extension.

It is estimated that approximately 18,341 Missouri workers are affected by the agreement. Cities, counties and other political sub-divisions may elect to come under the social security act.

Contributions to the social security fund that may be available for the payment of benefits under proper conditions are to be shared 50-50 by the state and the employees. The initial rate for employees is 1 1/2% on the first \$3,600 of their salary.

Central Standard

LIFE INSURANCE COMPANY

211 W. Wacker Drive

CHICAGO

All forms of
LIFE—INCLUDING GROUP—A & H
Expanding... Agency Opportunities

ALFRED MAC ARTHUR
Chairman of the Board

J. HARRY WOOD
President

GENERAL AGENCY OPENING IN WISCONSIN

with one of the old and well established billion dollar companies. A real opportunity for a capable field underwriter who has both the aptitude and the strong desire to enter the management end of life insurance.

Attractive training and financial arrangements for the man chosen. Every modern sales and training aid, together with salary plans, will be provided for the recruiting and training of agents.

Inquiries will be treated as strictly confidential. In reply please give complete qualifications.

Address G-21, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CHANGES

N. Y. Life Names Shean at Chicago

New York Life has designated William Shean district group supervisor for Chicago and northern Illinois. He will be assisted by Von Townsend and Clifford Johnson as group representatives.

Mr. Shean has been regional group manager for Massachusetts Mutual at Chicago since 1946. He is a graduate of Loyola University of Chicago and in 1942 entered group insurance in that city with Sun Life of Canada. Mr. Shean is chairman of the legislative committee and a director of Chicago Assn. of Life Underwriters. He served two terms as chairman of the group supervisors division of the association.

Mr. Townsend has been a group man with Occidental at Chicago for three years. He entered the group field with Sun Life at Chicago five years ago.

Mr. Johnson has been group representative of Sun Life for Canada at Chicago for two years. He is a former air force pilot.

Hallie R. Barnes has been appointed associate manager of the Liberty Life ordinary branch at Florence, S. C.

Conn. Mutual Names Banker, Williamson

Connecticut Mutual has appointed Edward U. Banker general agent at Seattle, and Robert M. Williamson general agent at Rochester, N. Y.

Mr. Banker succeeds Lloyd Silberberger, who becomes assistant general



E. U. Banker



R. M. Williamson

Mr. Silberberger joined the company at Dallas in 1935. From 1942 to 1945 he was manager at San Antonio and in 1945 general agent at Seattle. Mr. Silberberger is a past president of the Seattle Life Managers Club.

D. O. Cramer Named Prudential Manager in Mountain States

Prudential has appointed Donald O. Cramer manager of the mountain states agency, at Denver, succeeding Charles D. Jolly who requested relief from full managerial duties and will serve as associate manager. The agency serves Colorado, Wyoming and New Mexico.

Mr. Cramer practiced law at St. Louis following graduation from the University of Missouri in 1930. He joined Prudential as an agent there in 1937. Promoted to assistant manager in 1940, he was named regional manager at the home office in 1946. Following establishment of the western home office in 1948, he was transferred to Los Angeles in a similar capacity. He was advanced to director of agencies in 1950.

A past president of St. Louis Life Underwriters Assn. and St. Louis Life Insurance & Trust Council, Mr. Cramer also is a graduate of the L.I.A.M.A. school.



D. O. Cramer

To Pass on Advertising

RALEIGH — Because of complaints from newspapers about advertising submitted by insurers not licensed in North Carolina, Commissioner Cheek has announced that he is developing a plan under which insurance advertising first would be cleared through his office.

Mr. Cheek is considering permitting companies which clear their advertising through his office to use the tag line "Approved by N. C. Department of Insurance." He said he also is interested in determining that companies are accurately advertising their wares.

Huff Regional Manager

Commercial & Industrial Life has appointed Leslie Huff regional agency manager with headquarters at Austin, Tex.

Mr. Huff previously was district manager for Fidelity Union Life. He entered insurance in 1937.

Reliance Names Brennan

Reliance Life of Pittsburgh has appointed James R. Brennan manager at Nashville and middle Tennessee. Mr. Brennan has ranked among the company's Tennessee sales leaders. He joined Reliance in 1920.

Raises Cunningham, Robertson

Business Men's Assurance has appointed A. L. Cunningham district supervisor at Ponca City for northern Oklahoma, and James O. Robertson district supervisor at Topeka for northeastern Kansas.

Messrs. Cunningham and Robertson have been with the company two years. Both are veterans of the last war.

WEST COAST OPPORTUNITIES

TACOMA, WASH.

Population: 142,975

Gain 31% — 10 years

Land of beautiful Mount Rainier, Tacoma is truly a land of opportunity. Ocean, mountains, progressive spirit. And real opportunities with West Coast Life.

West Coast Life INSURANCE COMPANY

SAN FRANCISCO

Fine Business Stationery
is Watermarked

Fox River

COTTON FIBER PAPER
FOR THE
INSURANCE BUSINESS

"Say it" on Fox River cotton-fiber paper, and it will always be there! Cotton-fiber assures permanence for policies, special settlements, office forms, all vital correspondence. Hardest file-handling hardly shows. Stays white for years . . . has that currency-feel that makes an impression of stability. Ask your printer for bond, onion skin, or ledger samples . . . or write FOX RIVER PAPER CORP., Appleton, Wisconsin. Makers of fine papers since 1883.

Bogardus to Paul Revere

John O. Bogardus has been named general agent for Paul Revere Life and the Massachusetts Protective Assn. at Hartford, where he opens an agency for the companies this month.

Mr. Bogardus joined Travelers in 1930. He has been general agent for Union Mutual at Albany and Boston, and superintendent, northeast territory, Royal Protective Life. Recently he was brokerage manager, Paul Revere Life, at Philadelphia. Mr. Bogardus is a past president of the Massachusetts Assn. of Life Underwriters and a past president of the Boston General Agents & Managers Assn.



J. O. Bogardus

The OHIO NATIONAL
LIFE INSURANCE COMPANY, Cincinnati, Ohio

COMPANY MEN

Dean Resigns as Sales Chief of Great Northwest

Cecil K. Dean has resigned as vice-president and director of agencies of Great Northwest Life of Spokane, as of Sept. 15. After a vacation trip to Canada he will go to Wichita and announce his plans there.



Cecil K. Dean

Mr. Dean joined Great Northwest a year ago, leaving a post as director of agencies at Dallas for Franklin Life. He was at one time executive vice-president of Rushmore Mutual Life of South Dakota. Before that he was director of agencies of American National, general agent at Wichita for Penn Mutual Life and also general agent there for Bankers Life of Nebraska. He entered the business following service in the first world war. He is a C.L.U.

John Hancock Promotes

F. W. Campbell, V. D. O'Neill
Frederic W. Campbell has been appointed an associate actuary of John Hancock and Vernon D. O'Neill has been elected an assistant secretary. Mr. O'Neill is also assistant manager of the industrial policy department.

Mr. Campbell, who joined the company in 1914, has been an assistant actuary. He is a graduate of Dartmouth.

He served as director of research in the Insurance Accounting & Statistical Assn. for three years.

Mr. O'Neill, an administrative assistant on the industrial staff before his promotion, has been with the company since 1931. He is a graduate of Boston and Northwestern universities.

McCreary Retires After 56 Years With Aetna Life

Ralph W. McCreary, agency secretary of Aetna Life, has retired after nearly 56 years with the company. His health has been impaired for some time.

Mr. McCreary joined Aetna as a stenographer and after navy service in the Spanish-American war transferred to publicity work. In 1902 he started working with the agency secretary, handling general agency contracts, and was largely responsible for the creation and administration of the company's system of uniform contracts, expense allowances, agency production and cost records, etc. He was named assistant secretary in 1925 and agency secretary in 1936.

Van Newkirk Is Named

Fred Van Newkirk has been appointed manager of the New England regional office of the Ohio Farm Bureau insurers. This division has been conducted as a pilot unit at the head office for the past year and it will be moved out to location this fall. However, just where that location will be in New England has not yet been determined. Mr. Van Newkirk has been manager for Pennsylvania claims at Harrisburg.

Peterman Made A. & H. Head

W. R. Peterman has been appointed manager of the A. & H. department of Western Reserve Life. He formerly was director of the policyholders' department.

Fitzwilliam to N. E. Mutual

New England Mutual has appointed Robert J. Fitzwilliam as attorney. Mr. Fitzwilliam was in the navy and graduated from Yale law school in 1946. In 1947 he joined the law department of New York Life in the trial division.

ACCIDENT

Discuss Hospital Blanks

The executive committee of Texas Assn. of A. & H. Underwriters met at Austin. Included on the agenda was discussion of uniform blanks for hospital and physician reports to A. & H. insurers. Emerson Davis, Inter-Ocean, Dallas association president, stated that the association has been in contact with hospital representatives in an attempt to settle on a uniform blank.

The matter of keeping A. & H. agents free from the social security law also was considered. It was brought out that company policies on renewals were the reason that many life agents have asked to be placed under the law.

Maynard Shearer, Occidental Life, Dallas, was named general chairman of the annual sales congress to be held in December. It is yet to be decided in which cities the congress will be held.

Ga. Hospital Rates Upped

United Hospitals Service Assn. has petitioned Commissioner Cravely of Georgia for increases in hospitalization insurance rates.

The family rate for private accom-

modations would be increased from \$2.80 to \$3.35 per month and the same rate for ward subscribers would be upped from \$2.25 to \$2.75. Subscribers dues would be raised 25 cents to \$1.35, and 30 cents to a \$1.35 for a dependent spouse of the original subscriber.

Signs Wis. A. & H. Law

MADISON—Gov. Kohler of Wisconsin has signed the new standard provisions law for A. & H. policies that is part of the uniform program of National Assn. of Insurance Commissioners.

Form Assn. at Austin

Austin, Tex., Assn. of A. & H. Underwriters has been formed there. Jack Sucke is president, Noble Doss, Massachusetts Protective and Paul Revere Life, vice-president; Allen Cain, Austin Life, secretary.

Names Conn. Study Committee

Gov. Lodge of Connecticut has appointed a committee to draft an off-the-job sickness and disability insurance law for submission to the 1953 general assembly.

Lodge said the committee would consult with representatives of organized labor, management and insurance.

Coroner's Suicide Verdict Held Inadmissible Evidence

Ohio supreme court has held that a suicide verdict rendered by a coroner is not admissible evidence in certain civil actions.

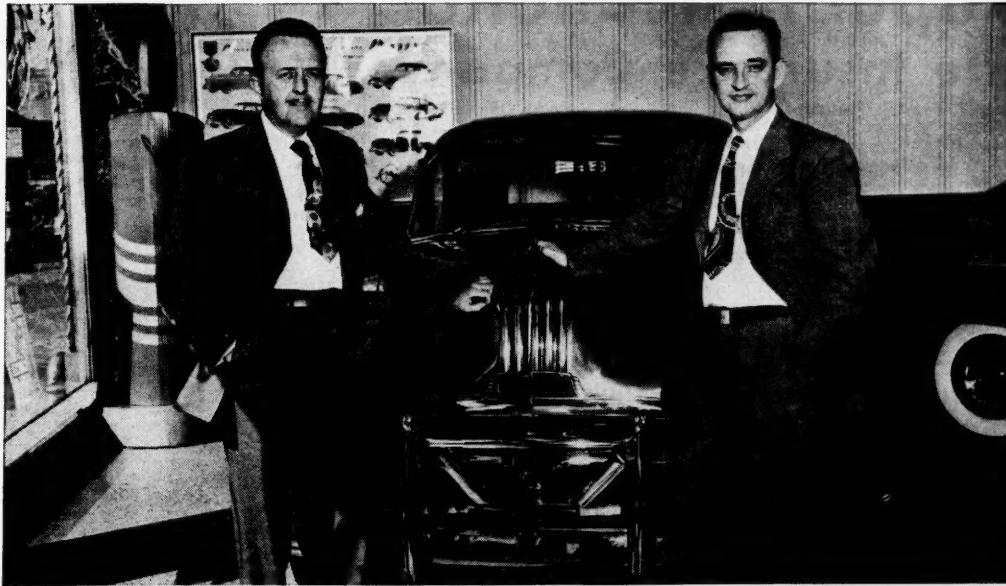
The ruling reversed decisions of lower courts at Cincinnati, which had admitted the coroner's verdict in a double indemnity insurance case brought by Mrs. Erma E. Carson of Norwood against Metropolitan Life. She was beneficiary under two policies held by her husband.

Metropolitan refused double liability because in the policies there was a clause banning such payments in the event of self-destruction. Mrs. Carson claimed that the coroner's verdict was opinion not facts. The supreme court held there were no witnesses to the act of self-destruction, so it was not proved that the deceased took his life.

Keith Returns to Group Field

State Mutual Life has designated Lincoln B. Keith group representative at Atlanta. Mr. Keith is a graduate of Harvard law school and was with the group department of Travelers before entering the navy. He has been in the retail clothing business recently.

Prudential Security Plans Sell Because They Serve



A Prudential partnership plan assures John Evans and Howard Tydings that their business will continue even if one of them should die. Each is insured for \$20,000 payable on death to the other partner. If one should die, the surviving partner would have the cash to buy out his share. In addition, the family of the deceased partner would be protected from the hardships of a forced liquidation.

Bob Crossett, Prudential man who sold this \$40,000 plan says, "The Company's new business insurance sales kit, *The Ownership Control Plan*, helped more than anything else to sell this case. It was one of the easiest sales I ever made, although my first business insurance case."

The above facts are based on an actual case in our files, but of course, true identities are not disclosed.

You'll find *The Ownership Control Plan* an effective sales tool in handling every type of business insurance case. For details, write to The Prudential, Newark, N. J.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A mutual life insurance company

HOME OFFICE:
NEWARK, N. J.

WESTERN HOME OFFICE
LOS ANGELES, CALIF.

CANADIAN HEAD OFFICE:
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Complete- personal insurance service!

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| <input checked="" type="checkbox"/> Life | <input checked="" type="checkbox"/> Group |
| <input checked="" type="checkbox"/> Health | <input checked="" type="checkbox"/> Salary Savings |
| <input checked="" type="checkbox"/> Accident | <input checked="" type="checkbox"/> Franchise |
| <input checked="" type="checkbox"/> Hospitalization | <input checked="" type="checkbox"/> Wholesale |
| <input checked="" type="checkbox"/> Medical and Surgical Reimbursement | <input checked="" type="checkbox"/> Brokerage |
| | <input checked="" type="checkbox"/> Reinsurance |

Registered Life Protection

Republic National Life Insurance Company

Theo. P. Beasley, President

Home Office: Dallas

Life insurance in force exceeds \$330,000,000.00

Congratulations TO OUR NATIONAL QUALITY AWARD WINNERS FOR 1951



D. D. TAYLOR
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FOUR YEARS



H. C. ROBERTS
FOUR YEARS



B. M. BERKELEY
TWO YEARS



E. N. TRINKLE
TWO YEARS



R. B. GANDY
ONE YEAR



A. L. ESTES
ONE YEAR

Shenandoah Life INSURANCE COMPANY, INC.

ROANOKE 10, VIRGINIA * PAUL C. BUFORD, PRESIDENT

L.A. Convention Schedule Is Given

(CONTINUED FROM PAGE 1)

will present a question and answer forum with a panel of 10 leading women agents who will undertake to answer all types of questions concerning life insurance that are submitted by the guests.

SIGHTSEEING

Principal speaker for the luncheon program of the Life Underwriter Training Council will be a prominent educator and economist, and who is president of one of the leading colleges on the Pacific Coast. Wednesday afternoon will be left open for sightseeing, entertainment and relaxation.

That evening there will be the annual dinner and conferment exercises of the American College and the American Society of C.L.U.

What is certain to be one of the big drawing cards of the entire convention week is also scheduled for Wednesday evening at the Hollywood Bowl, when the Los Angeles Life Underwriters Assn. will act as co-hosts with United Cerebral Palsy Assns. for a top-flight show headed by comedian Bob Hope. Mr. Hope will introduce a long list of "name" entertainers who will take part. This show will be a benefit performance for the Cerebral Palsy Fund, of which Bob Hope is co-chairman with Kate Smith, the singing star.

Additional Entertainment

In addition to this entertainment, Los Angeles plans a number of automobile tours of the fabulous south coast country, special teas and fashion shows for women guests and wives attending the convention, and other interesting features.

Convention headquarters will be in the Biltmore, and convention sessions will be held in the Philharmonic Auditorium, which is less than 250 feet from the Biltmore.

Thursday morning state and local executive secretaries will meet in a day-long session.

That morning the ever-popular annual national sales seminar will get underway with an all-star cast of five life insurance sales authorities.

The annual meeting of the general agents and managers will be concurrent with the sales seminar. This will be a meeting of first importance, with the formation of the new general agents and managers section, the election of section officers. A luncheon of the general agents and managers group will follow.

Women Agents' Luncheon

The women agents' luncheon will also be on Thursday. Elsie Doyle, Union Central, Cincinnati, chairman of the group, has announced that two top ranking women producers and a popular movie actress will be featured speakers.

Thursday afternoon the national council will re-convene for its second and final session, when the election of officers and trustees will take place. Immediately thereafter, the council will be called into a convention business session.

Also scheduled for Thursday afternoon is the annual seminar on chapter activities, conducted by the American Society of C.L.U.

COMPANY DINNERS

Early that evening, the many companies which will be represented have planned dinner parties. These will be followed by the president's reception and ball at the Biltmore.

On Friday morning at the final general session will be the American Colleage hour, and the Million Dollar Round Table hour. A prominent utility executive will be featured on the former section of the program, while the speakers for the latter section will be announced later.

The annual fellowship luncheon pro-

gram Friday will bring together all the officers, trustees, and delegates. Lester O. Schriver, Aetna Life, Peoria, past president of N.A.L.U., will be the featured speaker. Presentation of the John Newton Russell memorial award for 1951 will also be made at the luncheon.

Saturday morning the new N.A.L.U. board will meet in executive session.

Urge Early Reservations

General Chairman Page urges that all those planning to attend the Los Angeles convention make their hotel reservations without delay. Requests should be addressed to Frederick A. Schnell, chairman, hotel reservations committee, Chamber of Commerce Convention Bureau, 1151 South Broadway, Los Angeles 15, Cal.

Chairmen of other principal local committees are: finance, W. L. Murrell, Mutual Benefit Life; entertainment, Robert A. Brown, Jr., Pacific Mutual; attendance, Russell L. Hoghe, Equitable of Iowa, and George M. Scott, manager, Metropolitan; registration, Clayton Schaefer, Great-West Life; C. L. U. George N. Quigley, Jr., Manufacturers; president's ball, Walter J. Stoessel, National of Vermont; publicity, Robert L. Woods, Massachusetts Mutual; hospitality, W. Thomas Craig, Aetna; ticket sales, John F. Hackman, Lincoln National; women guests, Frances Nowell, Massachusetts Mutual; sergeant-at-arms, William H. Siegmund, Connecticut Mutual; women agents, Mary LaBella, Manhattan Life.

Getting Advance Registrations

The registration committee is putting on a special effort to get agents, particularly in the west, to register in advance.

WANT ADS

Rates \$12 per inch per insertion—inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

WANTED

Unusual opportunity for man 30 to 35 with college education and thorough background in life insurance. Must be able to express himself well in both written and oral forms. Attractive salary. All replies held confidential. Address G-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY SUPERVISOR

Wanted by a small progressive Life Company to develop and train agents in Illinois. Plans on entering Health and Accident Field. An excellent opportunity for the right man. Compensation based on Salary, Traveling Expenses and Bonus. Address G-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

HOSPITAL MAN AVAILABLE

Five years exp. in sales promotion of group A & H. life; some indiv. hosp., A & H. Also some other casualty knowledge. Present position limits future opp. Have fine working acquaintance with general broker in Chic. area. Desire management or opportunity in good stand Co. or agency. Available Aug. 15. Marred, 30, draft exempt. Address G-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENCY WANTED

General Agent, presently employed, wants General Agency, territory State of Minnesota. Twenty years experience Life, Sickness and Accident Insurance. Must have attractive contract for agents. Prefer company writing Sickness and Accident along with Life Insurance. Address G-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

and thus avoid congestion at the desks on the opening day. The response has been excellent.

Eastern people who have not been to California may wonder what kind of clothes to bring. Mr. Trueblood's advice is to dress as if for warm summer weather at home.

"California people dress very informally most of the time," he said. "Sports clothes are acceptable most places in the daytime, and at night, too, for that matter. White evening coats are worn for formal parties, and the ladies will know what to bring. It gets a wee bit warm in Southern California in September, although the nights will be cool and comfortable."

N. Y. Department Eyes Union Welfare, Pension Funds

A story in the New York Telegram and Sun this week stated that steps have been taken by the state insurance department that may lead to its supervision and control of welfare and pension funds controlled by unions. Superintendent Bohlinger has ordered investigators to check the status of some of the larger funds. Over objections from some unions, the checkers are said to have completed their first report.

Though declining to elaborate on the World Telegram story, the department did not deny it is making such an investigation. Presumably its purpose is to determine if these funds are being properly used and administered. The department apparently believes it has enough authority to make the investigation and to take steps to correct any abuses it may find.

Dr. J. M. Livingston, medical director of Mutual Life of Canada, has been elected president of Canadian Assn. of Life Insurance Medical Officers.

Insurance Costs Hang in Balance

(CONTINUED FROM PAGE 1)

would be equal to half the sum of the above two taxes. He said this plan would yield not much less revenue than the stop-gap plan, but more than the 6½% rate.

NEXT HEARING JULY 26

The committee has scheduled for hearing July 26, Henry S. Moser of Allstate Ins. Co. of Chicago.

Representing 229 companies, Mr. Adams stated the flat rate proposal is "the most simple, practical and equitable solution of the tax situation," which would yield four times the war tax of 1943 and \$125 million revenue in 1951 and 1952 operations, or more than contemplated under the stop-gap plan in the House revenue bill, compared to \$43 million for 1949 operations at the corporate tax rate of 38%, \$75 million for 1950, based on an average rate of 42%. The corporate tax rate in the House bill is 52%.

Mr. Adams read a 14-page statement and answered many committee questions. Under the House bill, he said, all companies would get a deduction of 88% and pay corporate tax on 12% of income, which would be equivalent to 6½% of net investment income.

Tax on Accident, Health

Besides recommending the flat 6½% rate on life companies for the future, Mr. Adams proposed that the accident and health business of life companies be taxed "at a level comparable to that provided in the current act."

If Congress should prefer to levy the going corporate rate on a fraction of net investment income, as for example, a 52% rate on 12½% of net investment

income, Mr. Adams said that "would be entirely acceptable to the life insurance business and in fact, would be greatly preferred by some of our most thoughtful leaders."

In conclusion, he said he recognized that his proposal is a "pragmatic approach to a recurring and vexatious problem," but said the Treasury has not come up with a suggested permanent solution. He and other speakers pointed out adoption of the 6½% proposal this year need not interfere with some other plan later on.

In response to questions by Senator Byrd, Mr. Adams explained the secretary's ratio formula. Byrd brought out that a majority of companies had recommended the stop-gap law. Answering Senator Millikin's question on what the objections are, the witness said:

Incentive Not to Strengthen

"If my company, which started out on a 3½% basis, feels that is not conservative enough and we increase our reserve we automatically increase our tax under this formula. If you put it on an individual basis, there is strong incentive not to strengthen reserves because you pay more taxes."

When a committeeman remarked about "inconsistency" of the companies' positions, Mr. Adams was reminded of his old friend, former Senator Jim Watson of Indiana, who said, "Sufficient unto the day is the consistency thereof."

He said that more companies favor the flat rate plan than favored stop-gap. The Northwestern Mutual has joined the association, he pointed out, though formerly a dissenter. The new formula had its origin partly in the finance committee room, Mr. Adams said, referring

to Millikin's criticism of stop-gap last year.

"I not only criticized it," remarked Millikin. "I opposed it."

When Senator Hoey wanted to know what percentage of the companies recommend the new plan, Mr. Adams replied "99% of the insurance in force."

MAXIMUM AMOUNT

In his prepared statement Mr. Adams said: "I know of no business upon which the preparedness taxes of 1951 will exceed the war taxes of 1943 by such a margin. The 6½% rate was arrived at because it would produce about the same revenue as the present bill for the current year and it would produce the maximum amount which we believe the companies should be called upon to pay with due regard to their guaranteed commitments to 83 million policyholders."

The unusual nature of life insurance receipts as a basis for taxation was cited by Mr. Adams, who said: "Premiums are deposits by policyholders and not income. They consist of three elements. They are the cost of mortality, a charge for expenses, and a discount for anticipated interest. If mortality experience is more favorable than the death rate assumed, the actual charge against the premium is correspondingly less and the difference is returned to the policyholder. The payment is not a profit. It is a refund. The policyholder simply receives the unused portion of his own premium. No profit accrues to anyone on this transaction."

Tax on "Orphan's Pittance"

Mr. Adams further said that "when you tax life insurance companies you are not taxing the profits of trade, nor are you taxing rich corporations. You are taxing the orphan's pittance, the widow's mite and the slender competence of the

The answer... Yes!

Through
ESTATE SECURITY
planning,
GREAT-WEST LIFE
underwriters
are hearing
"yes"
more often than
ever before.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE—WINNIPEG, CANADA



balance improves performance

In Life Insurance, the fine balance of past history, present progress and future objectives is essential to outstanding achievement.

Fidelity is a well-balanced company.



The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

MUTUAL TRUST'S sales conferences and training schools are held throughout the year. Fieldmen are thus kept informed on the latest sales developments and they are able to exchange ideas. At Bigwin Inn, Production Club winners will prepare for further increases in sales this fall.

MUTUAL TRUST
SALES LEADERS will gather at
Bigwin Inn IN CANADA IN SEPTEMBER

MUTUAL TRUST
LIFE INSURANCE CO.
HOME OFFICE • CHICAGO

Nothing Better in Life Insurance

Agency inquiries should be addressed to the agency secretary

aged and the infirm. All taxes levied will ultimately be borne by the policyholders. The load will fall upon the modest savings of plain people. They are the savers of the nation, the bone and sinew of America. However, they bid fair to become the forgotten people at the bottom of the economic pyramid."

Mr. Schmuck of Acacia Mutual filed a 13-page statement from Acacia's president, William Montgomery. In addition to his contention that tax should be imposed on an individual company basis, he argued that "free investment income is the only sound and proper tax base" for mutual companies; that total net income is the only proper basis for taxing mutuals, while stock companies should be taxed on a total net income basis.

Montgomery's Conclusions

The Montgomery statement discussed the problem and Acacia's position, the stop-gap formula, the flat tax, and the modified stop-gap formula referred to above. It concluded with this summary:

"1. The inherent unsoundness and innate inequities of the stop-gap formula have been demonstrated by the results of its application to the 1949 and 1950 income tax liability of the life insurance companies. The formula has been abandoned by its original advocates.

"2. The proposed flat tax formula is more arbitrary than the stop-gap formula and is at least equally unsound and inequitable in its result. However, the proposed modification under this formula for the benefit of the companies which do not earn or barely earn their required policyholder interest is a recognition by the averaging method advocates that at least some effect must be given under the tax law to the actual experience of individual companies in determining their tax liabilities. This proposed modification, while properly tending to reduce the inequities of the flat tax proposal, is inadequate and incomplete.

"3. The proposed modification of the stop-gap formula is a more reasonable and more equitable formula, for purposes of temporary legislation, than either the stop-gap formula in its present form or the proposed flat tax formula.

"4. The only sound, fair and reasonable basis for permanent taxation of life insurance companies, consistent with the general provisions of the income tax laws, is to impose the tax upon each company upon the basis of its own individual operating experience, without averaging or any other artificialities."

ORAL STATEMENT

Mr. Schmuck made a long oral statement, during which he was questioned considerably. He pointed out the companies last year generally supported stop-gap, which they now oppose.

Byrd commented upon the change of position and inquired about the possibility of another change. Mr. Schmuck answered that changing economic conditions might result in as much dissatisfaction with a flat tax as with stop-gap.

Millikin asked if a flat tax were adopted could inequities be taken care of by special relief exemptions. Mr. Schmuck said no.

When Byrd asked what the largest company would pay under stop-gap, Mr. Schmuck said Acacia would pay about \$457,000, compared to about half that under the company-by-company plan. Byrd suggested the individual basis would yield more money than the flat 6½% plan. Mr. Schmuck replied that the latter, in effect, would "impose a freezing of the Secretary's ratio." Flat rate "has no reason," he declared, "except to give a preferential tax position to some companies." For the first time, he said, Mr. Adams has given recognition to the burden that would be imposed upon some companies on the flat rate basis.

After Mr. Schmuck had proposed the

compromise idea referred to above and concluded his statement, former Senator Lucas declared that "sooner or later Congress will have to recognize the principle of taxing the life insurance industry on a company-by-company basis, and discontinue the averaging stop-gap formula, which he protested is "unfair and unsound." Acacia has been advocating that principle for 30 years, Mr. Lucas said, and the Treasury and the committee staff should consider it in studying permanent legislation. It "should not happen again," said Mr. Lucas, that life companies pay no taxes for two years.

Mr. Lloyd opposed the stop-gap plan on several grounds, declaring it "almost wicked." He said "we thought we had no chance of getting an exemption" for a company that did not earn its interest. At one time, he said, his company proposed approximately what Mr. Schmuck had recommended, but that was "half bad." It now supports the flat rate proposal.

Millikin asked a number of questions about taxation of mutual companies, saying "there is really no income problem present in the case of a pure mutual."

Mr. Lloyd replied that Union Central, being in process of mutualization, is no longer strictly a stock company, and has not yet gone mutual, so he is in a neutral position, and stock companies write participating insurance, so that the companies are not "all sheep or goats."

Defects in Stop-gap Plan

In his prepared statement Mr. Lloyd opposed the stop-gap measure on these grounds: It levies taxes upon the basis of an artificial, unrealistic and discriminatory formula; the tax it develops does not and cannot reflect the operational result of the company to be taxed; it would, over the years, produce taxes so unconscionably high as to be confiscatory of the capital contributions of the policyholders; it would bring about taxes so heavy upon some companies as to constitute a confiscation of portions of funds paid by policyholders as premiums, and it is a temporary measure and does not meet the urgent needs of the life insurance business for a permanent form of taxation, ending the uncertainties now making management difficult.

The proposed 6½% flat tax on net investment income was endorsed by Mr. Lloyd because it is applicable to the operation of each company and is simple to understand and easy to apply; it eliminates the industry-wide averaging process; it enables each company to estimate its tax liability in advance and adjust operations; it will produce slightly more revenue in 1951 than is provided for in H.R. 4473, which extends the stop-gap plan, and the amount will continue to grow automatically and steadily through the years.

"END UNCERTAINTIES"

"We urge you to put an end to the uncertainties of temporary legislation," Mr. Lloyd told the senators. "Four years is too long for the unknown to be the normal in as important a matter as taxes. Life insurance companies should not be left to wander in the wilderness of the stop-gap."

Mr. Woods said he considered he represented the small companies and he considered Acacia a large company, whereas Volunteer State is "nowhere near \$1 billion." He opposed continuation of stop-gap and supported 6½% flat rate. He termed essential two provisions in the 6½% plan beneficial to small companies. One provides for incorporation of a surtax income credit comparable to the \$25,000 credit applicable to corporations generally. The other would provide relief in substantial reduction of tax of a company having difficulty earning net investment income in excess of its reserve interest requirements.

Mr. Woods opposed any suggestion that different tax formulas be applied to

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stock and mutual life companies, as he said, it "could sound the death knell of stock life insurance and lead to the concentration of the business in the hands of mutual companies."

Mr. Linton said the 6½% flat rate would mean his company would have total taxes, including state levies, equal to about \$5 out of every \$100 of net cost of insurance to policyholders. However, he favored it, but as "the limit beyond which life insurance should not be asked to go."

He opposed as "dangerously unsound" the taxation of a company's individual so-called free or excess interest. Under the Schmuck proposal, it was indicated, Mr. Linton's company's tax would be increased \$600,000. At 6½%, Provident Mutual would pay \$1,300,000 tax a year.

When Millikin brought forward again his suggestion that a true mutual company may not be taxable, and that if a company does not make enough income to meet reserve requirements it should not pay taxes, Mr. Linton indicated that theoretically that might be so, but it would be bad psychology for some companies not to pay.

No Income, No Tax

"Outside of the insurance business," continued Millikin, "tax is not paid unless there is income. In the insurance business there are several reasons for not taxing where there is no profit. I am wondering how the principle of 'no profit, no tax' could be incorporated into this tax formula. How about putting a time limit on this proposed exemption, after which this formula would apply? 'I am thinking out loud,' Millikin concluded, 'and probably not thinking very well.'

Mr. Linton admitted there might be something to be said in favor of that line of thinking. When he spoke of the proposed new tax as higher than wartime taxation, Millikin reminded him "we are paying the cost of two wars and need more revenue." He asked what the Treasury's attitude is toward the flat rate proposal.

Mr. Linton replied the department would like to have stop-gap continued with the idea of further study and developing a permanent plan a year hence. "There is considerable illusion in the idea of 'permanent' legislation," commented Millikin, with the world situation changing so that Congress and the country can't see very far ahead.

Thomas Crosson has been appointed manager at Lubbock, Tex., for Western Reserve Life succeeding Edward Hambright who will remain with the agency as a personal producer.

Billy, Dennis and Frank—All Sullivans



The three Sullivans that are members of National Assn. of Insurance Commissioners, as viewed at recent N.A.I.C. convention at Swampscott, Mass.:

W.A. Sullivan, state of Washington; Dennis Sullivan, of Massachusetts and Frank Sullivan of Kansas, the new president of N.A.I.C.

Non-Medical Shows Popularity Rise

Insurance written on the non-medical basis is becoming increasingly popular, an analysis just made by Equitable Society indicates. This survey shows that 50% of Equitable's policies and 24% of the total amount of insurance issued and paid for in 1950 were on a non-medical basis.

The trend is toward larger amounts of life insurance coverage on individuals, the analysis showed. The proportion of policies paid for with face amounts of more than \$5,000 rose to 23% per 1,000 in 1950 from 20% per 1,000 in 1949.

Among the significant factors shown up in the survey was that 81.7% of the policies for less than \$2,500 paid for at issue ages 45 or less were written non-medically. For all ages, the proportion was 77.3%. In the range of policies for amounts from \$2,500 to \$5,000 inclusive, 53.8% of the policies at age 45 or less were issued non-medically.

Korean War's Effect

The Korean situation, according to Equitable, had a significant effect on the age distribution of paid business. For several months after the outbreak of hostilities, men of military age increased their purchases and from July through October, 1950, the age range 16-25 accounted for 25.8% of policies written. For the year as a whole, 34.3% of the male policies paid for fell within the 15-29 age range compared with 32.9% in 1949.

The proportion of total paid-for policies issued on female lives fell from 24% in 1949 to 22% in 1950. By amounts the ratio fell from 12% to 10%.

Average age at issue has changed only slightly over the past five years, since juvenile insurance became widely popular. For males, the average age at issue was 29.8 years, and when adjusted for number of policies paid-for is identical with the corresponding figure for 1937. The increasing importance of juvenile policies on female lives, however, has lowered the average age by policies for females from a high of 27.9 years in 1940 to a low of 20.6 years in 1948, from which it rose to 21.1 in 1949 and 21.6 in 1950.

Opens Spokane Agency

Bankers Life of Nebraska has opened a new general agency at Spokane, Wash., with Eugene Ballantyne as manager. Mr. Ballantyne has been with the company at Fresno, Cal.

N.Y. Assessment Fixed

The first annual assessment to maintain the special fund in New York for disability benefits will be at the rate of about 5 cents per \$100 of covered

payrolls, Mary Donlon, chairman of the workmen's compensation board, has notified insurers, self-insureds and the state insurance fund. The rate is a little more than \$1 for each \$2,000 of payroll.

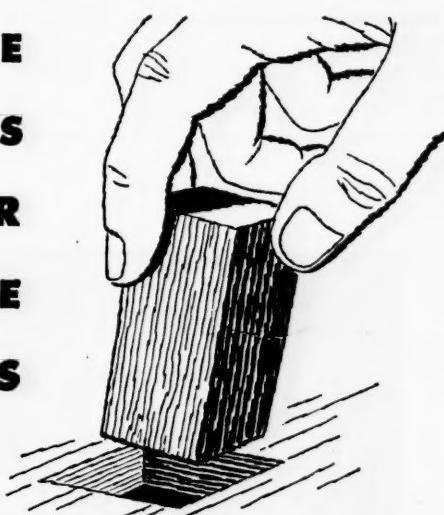
S Q U A R E

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If you've sweated out many sessions trying to fit a "round peg" Family Income duration into a "square hole" estate requirement, you'll appreciate the flexibility of Manufacturers Life Family Income arrangements. No matter what the situation calls for—any duration—10, 11, 12 up to 25 years, or to age 65—we'll issue a Single or Double Family Income Benefit to fill it. (Substandard too!)

This is just one of the many features of the Manufacturers Life's wide range of contracts and underwriting facilities. Consult us whenever a specialized brokerage and surplus service would help you solve a problem.

Branch Offices in the Following Cities

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| Baltimore | Detroit | Los Angeles | Portland |
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Also licensed in the Dist. of Columbia, Arizona, Delaware and Idaho.

YOUR OWN COMPANY FIRST . . . THEN

THE
MANUFACTURERS
INSURANCE LIFE COMPANY



An Old Line Company with an outstanding Record of the Low Net Cost.

Ins. in Force December 31, 1950—\$223,276,545.

Agency Openings for Lutherans in 21 states.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY

Waverly, Iowa

ASSOCIATIONS

See Success Story Film

The "Bettger Story" film, produced from Frank Bettger's book, "How I Raised Myself from Failure to Success," was shown at a meeting of San Antonio Assn. of Life Underwriters.

The film relates how Mr. Bettger, a failure at the age of 29 in baseball, became discouraged after 10 months in life insurance without appreciable

achievement. He came to realize that to be successful in selling insurance he would have to see more people, be enthusiastic in his greeting and presentation, and constantly strive to improve his personality, knowledge and technique. He accomplished this by listing 13 things he considered necessary for success and devoted a full week to each, beginning the series over after 13 weeks elapsed.

A report on the annual meeting at Galveston of the Texas association was given by W. R. Lyman, Equitable So-

society, president. New state officers attending the meeting were G. Archie Helland, Connecticut Mutual Life, president, and C. E. Wood, Franklin Life, regional director.

South Carolina Agents Elect Hudson, Henley, Sisson

South Carolina State Assn. of Life Underwriters has elected as president J. Harold Hudson, State Farm Life, Greenville. Other officers are W. S. Henley, Mutual Life, Columbia, executive vice-president; Clyde Sisson, Aetna Life, Columbia, state national committeeman, and D. U. Tilly, Life & Casualty, Greenville, secretary-treasurer. Robert H. Lovvern, Atlantic Life, Columbia, is immediate past president.

The sectional vice-presidents are: T. V. Huey, Pacific Mutual, Spartanburg; H. H. Penegar, United Life, Lancaster; Dan Turbeville, Dixie Life, Sumter; W. S. Minter, Carolina Life, Columbia, and Horace G. Dent, Atlantic Life, Charleston.

Ind. Local Assn. Chiefs

New presidents of local life underwriters' associations in Indiana are:

South Bend, J. Alvin Taylor, Franklin Life; Anderson, James Donnelly, Life of Virginia; Bloomington, Harold Mumby, New York Life; Tri-County, Arthur Bruner, Prudential; Lafayette, Fred Kimble, Purdue University; Kokomo, Harry Foreman, Wisconsin National; Vincennes, J. K. Sitterding, Western & Southern; Terre Haute, Gail Browning, Western & Southern; Munice, O. P. Fox, Metropolitan; Elkhart County, G. F. Lambdin, Equitable Society.

Also, LaPorte County, E. E. Starmer, Prudential; Marion, R. D. Grefe, Prudential; Evansville, E. E. Verden, Life of Virginia; Logansport, Kenneth A. Holton, Hoosier Farm Bureau Life; Richmond, A. D. Gibbons, Reliance Life; Calumet, Rudolph Tittle, Lincoln National; Fort Wayne, R. F. Oswald, Prudential; Shelbyville, Elmer McCain, State Farm Life; Indianapolis, Russell J. Simpson, Sun Life of Canada.

Owensboro, Ky.—The Green River association has elected Robert Oberst, National Life & Accident, president; Gail Morgan, Prudential, vice-president; Joseph Weill, Mutual Benefit Life, secretary. National quality awards were presented.

Hutchinson, Kan.—Frank Horner, Great Bend, new president of the Central Kansas association, spoke. National quality awards were presented. Membership chairman, Fred C. Hulse, Columbus

Mutual, received a certificate from N.A.L.U. for securing a 25% membership increase. Keith Hayes, Mutual Life, retiring president of the Kansas association, made the presentation.

Canton, O.—Raymond M. Bertsch, John Hancock was elected president; Robert W. Naumann, Prudential, vice-president; Mrs. Aldine Shorb, Indianapolis Life secretary, and James M. Toohey, Metropolitan Life, treasurer.

Ashtabula, O.—Gordon W. Chapman, Ohio State Life, Geneva, has been elected president of the Ashtabula county association. Robert De Bineo, Ashtabula, is secretary; Harry Hyslop, Geneva, 1st vice-president, and Millard Wormal, Ashtabula, 2nd vice-president.

Los Angeles—The women's division has elected these officers: Chairman Susan L. Bosung, Occidental of California; vice-chairman, Marie Thrash, Equitable Life of Iowa; secretary Frances Sandidge, Paul Revere Life.

Wichita—An L. U. T. C. program was directed by William N. Quinlan, Jr., chairman of the L. U. T. C. committee. A film on "What It Means to the Life Underwriter" was presented.

FRATERNALS

Croatian Union Must Explain Radical Activities

The Croatian Fraternal Union of America has been directed to appear before the Illinois director of insurance to explain why its certificate of authority to do business in Illinois should not be revoked.

The state contends that certain members of the union, who are alleged to be engaged in subversive activities, attempted to retain control of the union by nullifying the election of Anton Klobuchar of Chicago as a delegate to the union's convention to be held at Los Angeles in September.

The hearing has been set for 10 a.m. Aug. 7 at the Illinois department's Chicago office. All members of the union's executive board have been ordered to appear.

Fidelity Assn. Up 17%

Fidelity Life Assn. of Illinois reports its six months' paid ordinary business totaled nearly \$3 million, a 17% increase over the same period last year. The Illinois, Iowa and Wisconsin divisions were leaders in volume. The leading producers were Lawrence M. Burr, Salina, Kan.; Mrs. Elsie E. Jensen, Sheffield, Ill.; Frank T. Phelan, Woodstock, Ill.

Juvenile Special Whole Life

Aid Association for Lutherans will now accept applications on the special whole life plan for juvenile applicants at ages 0 to 15, inclusive, for a minimum amount of \$2,500. Minimum amount written for adults ages 16 to 63 is \$5,000.

For ages 10 through 65, rates have been increased \$1 per \$1,000.

Sieving Speaks to Chicagoans

Victor Sieving, general agent of Pacific Mutual at Aurora, Ill., addressed a meeting of Fraternal Underwriters Assn. of Chicago. There were 30 present. It was announced that the next meeting will be held on Oct. 18 at noon at which the speaker will be Herbert G. Benz, agency director Aid Assn. for Lutherans. Election of officers will be held.

Plans "Little Annual Meets"

Mutual Life of Canada has started what will become a lengthy series of "little annual meetings" or get-togethers for assured in different parts of the country.

Executive officers will report on company progress, and opportunity will be given policyholders to have informal chats with the executives.

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Bill Would Remove Unfairness in Tax on Pensions

WASHINGTON — Rep. Camp of Georgia, a member of the House ways and means committee, has introduced a tax revision bill based in part on recommendations of the American Bar Assn. and in that connection has put into the Congressional Record appendix a summary explanation of that association's proposed revenue revision act of 1951. This includes a number of income tax law changes related to life insurance, pensions, annuities, etc. The summary deals with some of these as follows:

"Section 102, elimination of the life-insurance factor of pension trusts from taxable income of employees: Under the present law, if a plan provides retirement-income-insurance benefits together with death benefits, the employee receiving such protection is deemed to receive current taxable income measured by the cost of term life insurance in the amount provided during the year. The result is inconsistent with the long-standing rules to the effect that group-insurance benefits are not currently taxable to employees. The amounts are generally small and the administrative difficulties far outweigh the advantage in revenue to the government. PS-58, promulgated Jan. 30, 1947, and revised March 7, 1947, mitigates this burden somewhat, but does not cure the administrative nuisance, both to the government and to employers and trustees, of treating the life insurance factor as taxable income. The bar association proposes to eliminate the insurance factor of pension trusts from taxable income by an amendment to section 22 (b) of the internal revenue code."

Urges Early Reservations

Luke J. Kavanaugh, Colorado commissioner, urges those that are interested in attending the conference at Denver Sept. 17-18 of commissioners and insurance company representatives on uniform deposit laws and security or insolvency funds to make their reservations as soon as possible. The reservations, he said, should be made directly with the Brown Palace hotel at Denver. Mr. Kavanaugh is chairman of this committee and he expresses the hope that a uniform deposit bill may be drafted for submission to the laws and legislation committee of N.A.I.C. in December.

New L.I.A.M.A. Agent Study

A new research project, agent development survey, has been initiated by L.I.A.M.A. It will provide a picture of the entire agency force of life companies as it exists today and will supplement the association's recruiting analysis surveys which report only on the early experience of new men in the business.

Twenty member companies are contributing current data on 12,000 full-time agents. They are submitting production and commission histories of these agents from as far back as 1938.

Walsh District Manager

William T. Walsh has been made district manager at Plainfield, N. J., for the Newark agency of Equitable Society. Mr. Walsh, a Plainfield lawyer, joined the company as an agent in 1948 while a law student. He was 1950 Middlesex county amateur and Plainfield city golf champion.

Northwestern Mutual Life has arranged a display of products of industrial concerns in which it has investments for exhibition in the home office. Attached to each product is a ribbon leading to a placard on which the name of the manufacturer is shown under a picture of the plant.

Number of Annuity Holders Doubled in Last Decade

The number of persons owning annuity contracts in U. S. life insurance companies has doubled in 10 years with 3,650,000 such annuity contracts currently in force. At least \$1,280,000,000 a year will be available as income from such plans now in force. About one-fourth of all this income is already payable and the balance is due to begin in the future.

The growing interest in pension planning and retirement has been instrumental in the growth of annuities, especially in group annuities. More than half the decade's gain took place in the past five years. It was particularly heavy in the group annuity field. There were 2,198,000 workers covered by group annuities which represented to them annual income of \$593 million. Annuities for workers through their employers have quadrupled in the decade and the number of persons covered and the amount of income fully paid has increased five times.

Individual annuities have also gained materially in recent years with 1,235,000 outstanding at the start of the year, more than one-third more than 10 years ago. There was \$585 million annual income established under these individual annuities.

Keeping Up With the Zones

Those who must take in all of the zone meetings of National Assn. of Insurance Commissioners have a busy season ahead starting at Olympic hotel at Seattle with zone 6 on Sept. 10-11. Then comes zone 2 at Charleston, W. Va., Daniel Boone hotel, Sept. 27-28. Then they will have a solid week of it moving from the Patten hotel at Chattanooga for zone 3 Oct. 16-17, to Skirvin hotel, Oklahoma City for zone 5 Oct. 18-19, and St. Paul hotel, St. Paul, for zone 4 Oct. 22-23.

42 Miamians Get Awards

With Mayor Wolforth of Miami making the presentations, 42 members of the Miami Life Underwriters Assn. received the national quality award for the high grade of business produced in 1950. William J. Brown, Mutual Life, and Erling E. Ayars, Penn Mutual, have received the award each year since its inauguration.

Presiding for his first meeting as president was B. M. Stewart, Independent Life & Accident.

Two New Pa. Bills

HARRISBURG, PA.—Among new bills introduced in the Pennsylvania legislature is one which would extend group life insurance to veterans' organizations.

Another bill provides that an agent shall not be charged for certain lapsed industrial policies. It stipulates that when such a policy has been paid for the minimum number of years for which a value first appears to the insured's age at issue, the company can no longer charge an agent for the subsequent lapse for non-payment or cash surrender.

Sterling Alexander's Move

Sterling Alexander, who on July 1 completed a four-year term as insurance commissioner of Iowa, has been appointed general counsel of National Assn. of Independent Insurers, the headquarters of which are at Chicago. Mr. Alexander expects to open a new law office at Des Moines and for the time being at least his base of operations for N.A.I.I. will be at Des Moines also. He will engage in public relations, legal research and representation of N.A.I.I. at insurance industry meetings and before insurance departments.

Survey Shows War Veterans Are More Insurance Minded

A recent survey shows war veterans to be more life insurance-minded than non-veterans. This applies both to frequency of ownership of life insurance and the amount owned.

In this survey, two-thirds of the insured families headed by war veterans were found to own \$3,000 or more of life insurance, half had \$5,000 or more and nearly one-third owned \$7,500 or more.

Among the non-veteran families who had life insurance, 44% had \$3,000 or more; 27% owned \$5,000 or more and only 15% had \$7,500 or more.

The study showed that 75% of all non-veteran families had some life insurance and 82% of the ex-service families were so protected.

Earl Bossong. Reliance Life, Cincinnati, has been featured in the sports pages of Cincinnati papers as being largely responsible for the development of Tony Trabert, young tennis

star who was just named to the Davis Cup team. Mr. Bossong, a noted college player when he attended Tulane University, has been tennis professional at Camargo Country Club. He was one of young Trabert's first teachers and still plays with him.

Policyholders' Reserves

Policyholders had accumulated policy reserves of \$54,927,000,000 in all U. S. life companies by the start of the year, half again as much as they had six years ago.

Geoffrey S. Smith, president of Girard Trust Corn Exchange Bank of Philadelphia, was unable to attend the quarterly meeting of National Life of Vermont's board because of an accident aboard his 45-foot yawl. Mr. Smith was taking down the sails when the gaff boom swung across and knocked him against the deck house. A small bone in Mr. Smith's back was broken. He is at Massachusetts General Hospital, Boston, but will probably be released shortly.

United Benevolent Society of Fargo, N. D., has changed its name to United Mutual Life Ins. Corp.



STERLING's simple formula spells success with fast start!

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Now in 23 States

New W. Va. Department Post

Ralph D. Keightley, Jr., has been appointed legal assistant in the West Virginia department, filling a post created by the 1951 legislature. Mr. Keightley attended Washington & Lee University law school.

Pennsylvania Life, H. & A. plans to establish offices at Cleveland, and in other Ohio cities.

Institute Readies 110,000 Fact Books

(CONTINUED FROM PAGE 2)

year's Fact Book will be up to date and show the figures for 1950.

There is a tremendous amount of tabulating work that goes into the Fact Book and this will be the first year that the Institute will have used its own battery of tabulating and punch card equipment.

The Fact Book is prepared by the Institute's division of statistics and research whose director is Mrs. Virginia Thompson Holran.

In phases of its work related to the collection of data on assets it is aided by the statistical division of the Life Insurance Assn. of America.

Has Occasional "Typo"

Like every book of statistics ever published, the Fact Book has had its "typos" which went discovered until after it had gone to press. In 1947 the title of one of the charts on policy loans fell out leaving the readers with a group of wavy lines with uncertain meanings. Actually they indicated the ratio of policy loans to reserves. An occasional red face however, is nothing new for statistical publishers though they try to keep them at a minimum.

The figures are used in many ways by the Institute and by companies in addition to their insertion in the Fact Book. Much of the data is released earlier in the year but the Fact Book is the only concise annual collection of all the data in handy form.

The booklet, looked upon as the "Bible" on life insurance, elicits hundreds of inquiries during the year for additional information on life insurance as well as for further copies of the book. In the newspaper world the editors often use it as the basic source for material. Throughout the year they call the Institute for more up to date information or current statistics.

Companies order the booklets in bulk for distribution throughout home offices and field. Single copies are made available to the general public free if they write to the Institute.

Says Clark Health Report**Misses Being Objective**

(CONTINUED FROM PAGE 6)

of physicians and general hospitals . . . This is usually accomplished by a departure from fee-for-service payments furnishing an incentive for the physician to limit utilization of services to those that are medically necessary. Organized medicine has generally opposed such contracts." . . . If such difficulties could be overcome, the comprehensive plans "have great potentialities" not only for protecting their subscribers against nearly all health costs, "but also for the improvement of health through preventive medicine and health education, for providing care of known professional quality in an organized fashion, for the creation of facilities, and for attracting physicians and others to areas where they are now deficient."

7. "How far should governmental action go in extending medical-care insurance? There are those who believe that insurance legally required of the whole self-supporting population . . . is the only way whereby the benefits of such insurance can become available promptly and economically to the majority of the population; and who believe that such action should and can be so designed as to maintain medical efficiency and freedom and democratic methods of administration. On the other side are those who believe that a widespread legal requirement of medical-care insurance is unnecessary . . . and who believe serious evils for medical practice and American freedom would result . . ."

8. "The staff strongly recommends that in order to provide for planning and execution consistent with the scope

and complexity of the subject, the study of medical-care insurance be continued as a major effort of the committee on labor and public welfare."

Provident Mutual Meet Draws 250

(CONTINUED FROM PAGE 3)

sale to these prospects on a personal approach is \$12,500 compared to his average business insurance sale of about \$29,000. William T. Moffly, Jr., assistant manager of agencies, presided over the business insurance session.

Sheds Tell-Tale Briefcase

William A. Carrodus, agency secretary, was chairman of the second session at which Thomas A. Galligher, Philadelphia, said that his main sales philosophy consists of going out each day to tell his story to four or five people. In order to adhere to such a schedule, he calls on nearby prospects directly, without using a telephone or letter approach. He appears in the prospect's office with a proposal in his coat pocket, and without any tell-tale briefcase or notebook.

Robert H. Youngman, Jr., Pittsburgh, indicated that planning should be done at a regular time and that appointments should be made in advance with the rest of the day being built around them. Trevor C. Lewis, Baltimore, discussed how he presents life insurance to doctors.

Plan Puts It in Gear

Joe B. Long, manager of agencies, commented that life insurance is a business of the spoken word, but the words must be spoken to the right people, according to plan. He said that some men have the power to explain and motivate, but lack the direction of planned activity and stand like machines idling out of gear.

Chairman of the third session was C. Sumner Davis, director of agency department administration. Joseph L. Fleming, Reading; Townsend Brown, Norfolk, and Goode Love, Charlottesville, Va., discussed their plans for the year. Mr. Fleming, from a definite number of regular monthly calls, will attempt to submit at least one substantial application a week. Mr. Brown will emphasize the importance of keeping daily records, based on selling, fact-finding and service. Mr. Love's objectives are to know more people, to be known by more people and to know more about life insurance in order to serve these people better.

J. Harry Wood to Be Commerce Professor

(CONTINUED FROM PAGE 2)

He remained there until the end of 1949. In 1950 Mr. Wood was elected president of Central Life of Chicago, which recently re-insured Standard Life of Pittsburgh, the name being changed to Central Standard Life.

Mr. Wood has long been interested in teaching. He was one of the first C.L.U.s in Columbus, he taught a C.L.U. class there in 1931. At the Hancock and Paul Revere he always did a share of the teaching.

Has Limited Pay Annuity

Jefferson National is now issuing a deferred life annuity requiring 10 annual premiums and maturing 15 years after issue. At maturity, the annuitant may withdraw the maturity value in cash; leave it on deposit to accumulate at interest at a rate of not less than 2½%; or apply it to the purchase of an annuity payable for a fixed period of years, or for life with a period certain of either 10, 15 or 20 years.

If left on deposit, the maturity value with accumulated interest may be applied to the purchase of an annuity, at present-day annuity rates, on any contract anniversary after the maturity date but not later than the contract anniversary nearest the 80th birthday of the

annuitant.

Attached to the contract is a series of 14 coupons, with various options. Death benefit prior to maturity is total premium paid plus any coupons left on deposit.

Sam Frech Toots His Own Horn

Samuel Frech of Corpus Christi is a great believer in making himself the most unforgettable character those in his community have ever met. In a talk before the Austin Assn. of Life Underwriters, Mr. Frech described the shortcuts to prestige he has used in pursuing his career as a life insurance salesman. His ideal, he explained would be able to say to his prospects, "I write 55% of all life insurance written." He feels that he would immediately have the attention of the prospect if he could make such a statement. But he lacks by a little being able to truthfully put matters thus and so he has a number of pictures of himself which he shows to prospective policyholders, which serve to rivet their attention to him.

First he has a picture of himself with a baker's cap on his head and when he shows this he says, "I am providing bread and meat for people." He has a picture of himself standing with the president of his company, Kansas City Life, in front of the home office. Next he pulls out a picture of himself when he attended Delmar College, with the president of the college standing near him. He also displays photographs taken in connection with his work with the Corpus Christi little theatre. He capitalizes also on the honors which have come to O. Sam Cummings, Texas general agent for his company.

Mr. Frech took advantage of the opportunity to publicize himself when a rare frigid wave hit Corpus Christi. He is just a little more than 5 feet tall and featured the fact that he could not buy long underwear that would fit him.

He believes in tooting his own horn insofar as his life insurance production goes, calling attention to the number of people who have taken his advice. Mr. Frech's predecessor for his company in Corpus Christi sold many of the most prominent people. Mr. Frech, upon taking over the job, approached these policyholders and asked them if they would endorse his company. As a result, he has the signatures of 20 of the most prominent business and professional men in the town and uses these signatures as prestige-builders.

He gives away some selected literature prepared by the Institute of Life Insurance and also a small diary with his card in it. When he delivers the policy he sees that it is in an attractive jacket. **Gives Corsages, Slide Rules**

Mr. Frech has given as gifts corsages for the ladies on their birthdays or wedding anniversaries. He presents slide rules to engineers and mechanics. He organized a home managers' club in his community, which brings him in touch with the type of prospects he wishes to meet.

Mr. Frech attaches a stamp picture of himself to his calling card, making it easy for business men to remember him.

He wears a pin bearing the mysterious legend "C + ½" on his lapel. This pin causes people to ask questions and opens the road to an interview. He sends birthday cards religiously and when he goes to a convention, sends out cards from the convention city.

He believes in advertising in a modest way in the local papers, employing the slogan, "Keep yourself abreast of yourself."

The over-all theme of his operation is: "You are what you and other people think you are."

General American Life has purchased the northwest corner of 15th and Olive streets at St. Louis for use as a company parking space.

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"Your wife told me where I could get in touch with you. . . . She tells me you have no life insurance!"

Bankerslifemen Get Many Good Referred Leads

Referred leads that turn up good business are common for Bankerslifemen. Wives are often their allies in selling, even though we don't know of any who have pointed out a hidden husband.

The kinds of contracts and the way they are offered by Bankerslifemen build the confidence which causes many prospects and policyowners to suggest others who should be interested. Bankerslifemen warrant this confidence and respect it. That continues to earn referred leads for them.

The very fact that they do warrant this confidence makes typical Bankerslifemen the kind of life underwriters you like to know as friends, fellow workers or competitors.

BANKERS Life COMPANY
DES MOINES, IOWA

Disability Income

Another "Philadelphia Story"

Philadelphia Life now issues \$10 Monthly Disability Income on all plans (ordinary life or higher). New, effective sales tools like this are "old" Philadelphia stories to Philadelphia Lifemen... it's the kind of home office help that every man expects and gets. Liberal contracts... cooperative underwriting... competitive rates... planned programs that get dotted line action, all mean vastly increased earnings for Philadelphia Lifemen. We're growing... because we work together.

PHILADELPHIA LIFE INSURANCE COMPANY
PHILADELPHIA 7, PA. William Elliott, President



For centuries the peasant woman carried a heavy urn on her head. Then along came a forgotten genius and put a handle on it.

At GUARDIAN, our actuaries have designed "handles"—improvements in contracts—that make it possible for our representatives to satisfy their prospects' needs more readily.

For example, GUARDIAN agents now offer 5, 10, 15, and 20-year term, and Term to age 70 policies, to provide maximum protection when extremely low premiums are essential.

And our \$10 per month per \$1,000 disability income provision enables our representatives to offer their clients unique protection against the living death of total and permanent disability.

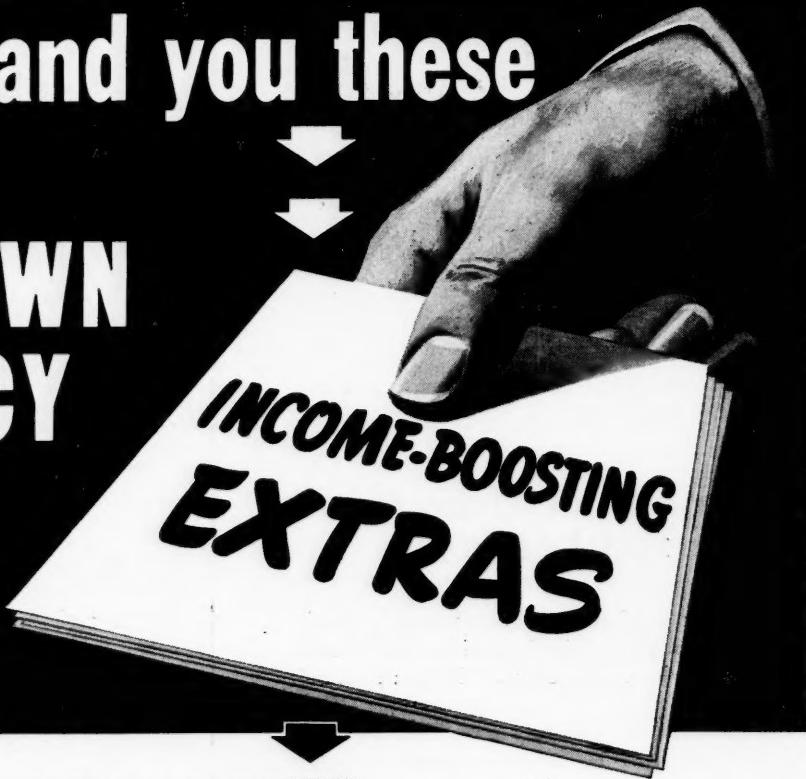
"Handles" such as these are among the reasons why GUARDIAN agents are adding more and more satisfied customers.

The
GUARDIAN
Life Insurance Company
OF AMERICA

FIFTY UNION SQUARE

NEW YORK 3, N. Y.

Let us hand you these for **YOUR OWN AGENCY**



in our **AGENT-PLANNED** Prosperity Contract



Men who know *your* side of the picture — successful general agency men with years of experience on the firing line — have seen to it that the Prosperity Contract is geared to the needs of the men in the field. They helped plan and write it. They *knew how* to make it provide the kind of cooperation and support others need to build and maintain a really prosperous business. Find out for yourself how The Midland Mutual Prosperity Contract helps build a bigger, better, more profitable future! Write today.

The sure way to GET and KEEP good agents

Write RUSSELL S. MOORE, Manager of Agencies, for details
The MIDLAND MUTUAL Life Insurance Company

250 E. BROAD STREET, COLUMBUS 16, OHIO

- 1 Expense-Free Compensation
Compensation plan is separate from expense. Overwritings — 1st year and renewal — are yours!
- 2 Expense Allowance
Liberal expense formula, includes allowance to cover office and field expense.
- 3 Vested Overwriting Renewals
Easy-to-attain qualifications entitle you to your renewals whether you live, die or quit.
- 4 Direct Mail and Unique Sales Plans
Result-proved direct mail for prospecting, easy-to-sell package plans, and successful training programs make even new agents quick producers.
- 5 Aids to Getting and Holding Good Agents
Liberal first-year commissions . . . monthly expense allowances . . . extra first and second year renewals . . . continuing service fees . . . and an attractive retirement plan help you get and hold the best agents.

| TERRITORIES OPEN | | | |
|--|----------|------------|--|
| Agency opportunities are open in these states— | | | |
| Pennsylvania | Ohio | Tennessee | |
| New Jersey | Iowa | Kentucky | |
| West Virginia | Indiana | Illinois | |
| North Carolina | Michigan | California | |